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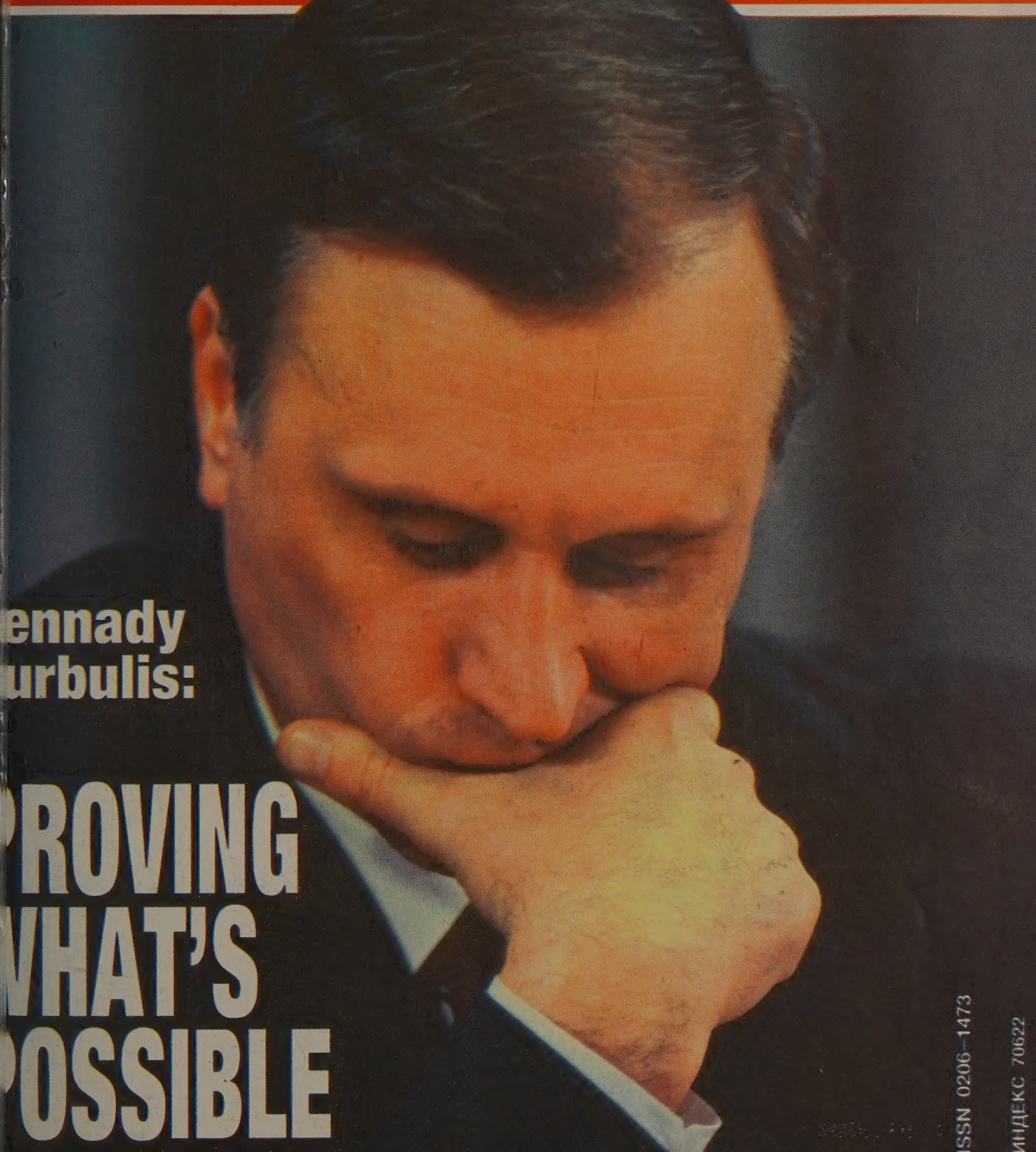

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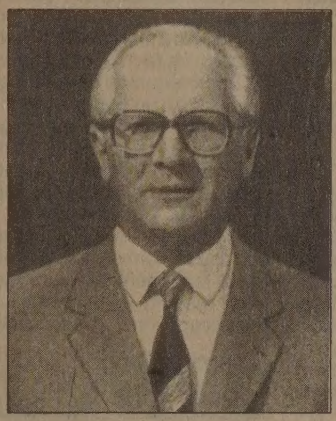

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I kept silent when...

What is taking place in Moscow grieves and puzzles me. Where are the workers of the capital who continue to bear their heavy cross, providing themselves and their families with the bare minimum of necessities? In the city of Donetsk, where I live, protesters wouldn't have caused such a raucous as they did near the Ostankino TV Centre in Moscow. I am sure the miners would make their position known and the workers of other plants would join them. Though the state of affairs in Donetsk is no better than in Moscow, we prefer to express our discontent in a civilized form, and we often achieve something.

No one has the right to remain aloof. Otherwise we shall witness what a German pastor, a former inmate of Auschwitz, wrote in his confession: "I kept silent when they (Nazis) came for the Jews. I kept silent when they came for the democrats. I kept silent when they came for my next-door neighbour. When they came to arrest me, I kept silent, because there was already no one to whom I could cry for aid."

Yuri Muromsky, Russian, worker
Donetsk

Death for sale?

You publish articles about the sale of arms. Our country is in a dire plight indeed. It badly needs foreign currency, and our arms remain competitive on the world market. That is why we are trying to sell them wherever possible. But the present-day world is not a paradise of stability. A totalitarian regime may come to power in a seemingly democratic state. We are unable to predict the course of events. I am not an idealist and do not call on states to stop concluding agreements on arms deliveries beginning next week. They should, however, at least realize it is a vicious occupation. We are not yet dying of hunger, and therefore we don't need to give our blessings to people's urge to kill others. Even if we were dying of hunger – the soul cries out against such idea. There is no justification for selling the means to kill human lives.

Yevgeny Podprugin, private, engineering battalion
Khabarovsk Territory

Private and collective can coexist

Personally I believe in collective agricultural activity. In conditions of a developed market, with the rules of private husbandry observed, a large agricultural association like a cooperative will operate no worse than a private farm. Such a collective farm needs only to be "submerged" in the market medium like an engine in oil for it to work. What is the market medium? It consists of plant breeding stations, good warehouses and packaging plants built in a rational way. I think the Russian collective and state farms, when "set free," can eventually turn into large modern agricultural enterprises and peacefully coexist with private farms. Life will show what form of husbandry is more effective. As far as I know, agricultural cooperatives in East Germany were more productive than some private farms in the West.

Alan Grinkiewicz, employee, broker's agency
Alabama

No rehabilitation for scum

I read an item about the letter of a Vlasovite (a member of the army under the command of Vlasov, a Soviet general who deserted to the Germans during the war). This man alleges that the Vlasovites never "maltreated peaceful civilians."

During the German occupation I lived in the city of Belaya Tserkov in Ukraine. At the end of 1943, after the liberation of Kiev, German troops retreated and their loyal allies – Vlasovites in German uniforms – also retreated with them. There was a brief pause in fighting near Belaya Tserkov, and a unit of these cut-throats settled in the military barracks in our district of the city. They imposed curfew and began to hunt after those who did not observe it. Civilians were driven from nearby villages, and the moans and cries of tortured people could be heard form the windows of barracks even during the day. This lasted for two weeks.

When our troops liberated the city, a grave was unearthed in early spring and the bodies of executed people were extracted from it. Running away, the bandits shot everyone in the barn behind the barracks. I still remember the body of a young woman and the bodies of two children beside her. The junior boy was about four. The young woman was said to be a teacher and the two boys were her children. Perhaps there are other witnesses of this terrible scene. They would confirm everything. I think the appropriate documents have been preserved in the city archives.

V. Dolzhenko, pensioner
Cherkassy Region

THE WAY I SEE IT

Drawing by Arkady Gursky

Victories uplift people, not humiliate them

I can't agree with the opinion that the peoples of Russia should not commemorate their military victories, the anniversary of the Battle of Kulikovo, for instance, because this might hurt the feelings of the vanquished peoples. In this case we shouldn't celebrate The Day of Victory over Nazi Germany, since not only Germans, but also Romanians, Hungarians, Italians and Japanese will be hurt.

Some can object by saying the Russians observe fascism's defeat, not a victory over Germans. Exactly so. The victory in the Battle of Kulikovo led to the liberation of Russia form the Tatar-Mongol yoke. Following the above-mentioned logic, one can conclude that the Russians should not have thrown off the yoke, so that the Tatars wouldn't feel hurt.

In the history of almost every country there are disgraceful events, slavery in the United States, for instance. However, this does not prevent Americans form being proud of their citizenship.

S. Timoshenko
Transcarpathian Region

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Enemy phantom in mirage of friendship: Israel brings Russia back to the Middle East

The new round in the Middle East Peace Conference is slowly unwinding in Washington and as a stride towards its majestic finale slated for mid-September, the leaders of the new Israeli government that ousted the implacable Shamir cabinet have gone visiting, with Prime Minister Rabin going to Washington and Foreign Minister Peres coming to Moscow this month.

Many believe the talks that Rabin had were to the point as Israel eventually received guarantees of a $10 billion US credit in exchange for its readiness to offer the Arabs more concessions, when meeting them in Washington in September. These are serious concessions even though PLO leader Arafat rushed to say they were inadequate. Israel will not only terminate the building of settlements in occupied territory, but will also agree to exchange some for peace with its neighbours, in other words, reach an agreement on the Golan Heights and their status with Syria and give thought to freeing Palestinians. The sensational element of the Palestinian plan is seen by experts as Israeli acknowledgement at least of the theoretical likelihood of Palestinian statehood in the distant future and of Palestinian autonomy soon.

With Rabin having discussed and promised so much in Washington, Peres's Moscow visit seemed an unwanted politeness. Thus it is said his advisers had suggested that he not stick to formalities and not go to Moscow merely for the sake of a polite gesture to a state, which along with its other Soviet-empire legacy, had donned the toga of co-chairman of the Middle East Peace Conference – incidentally, less and less shored up by reality, since Moscow has immeasurably less clout than the other co-chairman, the USA.

However, the Moscow talks were far from being a formal affair. The demand for Russian involvement in the peace effort is still there, although the changed situation is taken into full account. Russian Foreign Minister Andrei Kozyrev received from his Israeli counterpart a serious diplomatic message, one evidently agreed with Washington beforehand, that proposed exerting every possible influence on Syrian President Assad, as the most obstinate of Arab leaders, who could well spike the new round and the entire conference generally. We think this a very happy choice, as for the past six months the Syrians have been looking for ways and means of resuming closer links with Moscow. What they chiefly want is to continue with military cooperation, as the combat potential of the Syrian army, the regime's backbone, greatly depends upon that.

Diplomatic sources reveal that Moscow had put its best foot forward to avoid any more or less high-level meetings, fearing it would evoke displeasure from its new friends, the USA, Israel and the rich Arab states, that find Syrian radicalism a great obstacle. In the upshot of talks with Peres, Kozyrev invited his Syrian counterpart al-Sharaa to visit Moscow as early as possible.

Most likely all afflicted with power nostalgia will believe Russia's role in the region inadequate. However, such is her actual standing in the world today, due to which she can pursue her own interests only by following in the wake of the policies of another. Yet here Russia has many opportunities for going her own way. The USA's global interests are one thing. The interests of the states in the region including Israel are quite another: small wonder Peres told Kozyrev in Moscow that he viewed the Middle East not as a conglomerate, but as a regional community of special significance, which in future could develop into a commonwealth. Experts believe the Israeli invitation for Russia to demonstrate greater activity in the Middle East stems not only from the wish to get her influence on the Syrians, which, incidentally, might be not that very effective.

The USSR's demise has left a void in the Middle East, where few would want the USA to fill it politically. Local regimes oriented on some external dependence are flinging doors wide open to European and Asiatic interests, in order to create a new countercheck to the Americans and prevent them from succumbing to the lure of full dictation. What suits these purposes best is the presence in the region of the new Russia, a belief held more specifically by Saudi Arabia, which first thought of inviting Russian ships to the Gulf. Though that may, of course, be seen merely as a symbol, but when ambitions and interests stand behind it, the symbol becomes a political reality.

Vladimir Kulistikov

Count your politicians when autumn comes

In Russia, the political twelvemonth lasts from August to August. Those memorable three days of August 19-21 are now taken as the dateline for bringing new plans to the public eye. Initial results of the harvest are totted up and initial assessments are given for the past year and the coming year

What will the autumn bring? A parliamentary session, the Congress of People's Deputies and the next phase of reform. So what may we expect over the immediate future?

THE HOME SCENE

Parliament and the President will continue to argue as to what comes first, the popularly elected President or a parliament, that was voted in by the popularly elected Congress. Which of these two expressions of popular will is more important?

From time to time, when the Congress sits, for example, the President and the deputies will demonstrate their preparedness to work out a difficult compromise. However, subsequently they will again start their games. Thus, the President will say that the Congress is unwanted and will draw upon this leverage to compel the deputies to adopt the new constitution. Meanwhile the Supreme Soviet will accuse Yeltsin of failing to live up to his obligations and will threaten impeachment.

Still this will ensure a relatively firm balance between the two, legislative and executive, arms of power, insofar as hardly either seriously believe they will manage to oust their opponent.

Apparently the President and the Congress-Parliament are ordained to operate till the end of the constitutionally designated term. Even if a new constitution is adopted, one that will rule out the Congress, scarcely will that entail its automatic dissolution. As far as one can see, the new electoral system will come into effect only in 1995.

Yeltsin's relations with Parliament will still be weighed down by the Speaker's personal ambitions. In that respect Yeltsin's recently signed decree, one contrary to Khasbulatov's wishes, to hand over to *Izvestia*'s editors the entire range of material facilities, will add a pretty good amount of fuel to the flames.

The Constitutional Court will be up to its ears analyzing the relationships between President and Parliament. The latter's resolution in respect of the newspaper *Izvestia* is already contested in the

The three days of August are a time for rejoicing and yet a time for mourning. However, they have definitely shaped Russia's destiny

Constitutional Court. We may also expect, for example, an appeal to verify the constitutionality of the six billion ruble fund that the Speaker personally administers.

PARTIES AND MOVEMENTS

How will the forces of the political opposition behave? If we mean the constitutional forms that may be used to fight the current democratic authority, then evidently such behaviour will depend on the situation emerging in the process of reform and in the upshot of the government's handling of foreign policy issues.

A happy solution of CIS problems implying military cooperation unmarred by conflict, a mutually acceptable level of economic links and a satisfactory standard as regards human rights and the rights of the national minorities in the various republics, will all serve to knock the ground out from under the feet of the national patriots.The three thus far successful foreign policy and diplomatic operations in respect, specifically, of South Ossetia, the Dniester area and the Crimea indicate that if matters proceed along these lines, the national patriots will not be able to rally thousands around the Ostankino TV Centre.

One big headache for the President and the government is what might be termed the director lobby. However, the new phase of economic reform will evidently introduce confusion here, as since it would be unreasonable to resist privatization, the directors, implying the managerial executives, will have to find a place for themselves in the new setup.

Is a new putsch on the cards? Scarcely is there anyone who would dare that, as still remembered is last year's abortive putsch and for that matter, the political programme a new coup could offer is highly questionable.

President Yeltsin is proud of having a loyal entourage. Indeed, since 1991 the President has made a special point of choosing a loyal following, as he was shocked by the treachery of Gorbachev's retinue.

THE ECONOMY

When the Congress meets, it will again call the government to account, the more so as autumn had been the deadline for the Gaidar cabinet to stabilize the ruble, regularize monetary circulation and, generally, demonstrate the reform's first positive results.

The government welcomes September with two trump cards, one a better crop than last year, the other a rise in wages running ahead of the rise in prices. Next, economic links between the republics are being repaired.

President Yeltsin considers the reform's first phase over. The new phase centres on privatization. In October, privatization vouchers of 10,000 rubles each will be handed out to every single person. It is quite obvious that for months ahead the public will be busy with these vouchers and the privatization process making reform irreversible.

When genuine privatization gets under way, it will be possible to forecast diminished social activity for some time ahead. However, the very first moves to liberalize fuel prices and implement the bankruptcy decree will create additional tension.

To escape social outbursts and runaway unemployment, the government will evidently have to subsidize certain large enterprises in the same way as it is currently obliged to subsidize farming. The Gaidar team will have to show a stiff upper lip and ingenuity when getting rid of obsolescent and loss-sustaining enterprises.

The government will have to take a special care of the jobless who will either need to be retrained or to be recruited for public works. Otherwise new jobs will have to be created for them, but where the money for that will be coming from is obscure. Evidently part will come from the resources obtained through privatization. Hopefully, foreign aid will not be "eaten up," but will be used to purchase new technologies and techniques for industry.

That today Russia of all the former Soviet republics leads the reform is unquestionable. This will be productive already in the foreseeable future.

At his recent Kremlin news conference, Boris Yeltsin praised our journal, taking a special fancy to the cover portraying our bold Foreign Minister

ON THE FOREIGN SCENE

At his Kremlin news conference, Boris Yeltsin, when questioned by Our Correspondent, said that in the half year since the Belovezh accords CIS had gone a long way. "I believe in CIS," he stressed.

The immediate future will clear up the situation as regards Russia's army, that is from which republics troops will be withdrawn and where they will stay on, however in accord with a precisely delineated status. Boundaries with neighbouring states not in CIS, as, for instance, Azerbaijan, which is planning to introduce its own currency, will be reinforced. The same may be needed with respect to Georgia.

As far as one can see, Russia will continue to mediate in resolving regional conflicts within former Soviet territory, to wit in the Dniester area, South Ossetia and Abkhazia. There are signs that Russia will play a still more enhanced prestigious role as peacemaker and mediator. It is quite possible that she will have to exert her influence as regards Nagorny Karabakh.

The high-strung dialogue with each Baltic republic who want Soviet troops withdrawn while Russia seeks to protect Russophones resident there, will continue. True, in this respect the Russian MFA will be occupied mostly not in the Baltic capitals, but at the headquarters of top influential international organizations in Western Europe. The point is that the Baltic republics have already advertized themselves at international forums and have secured some amount of support, but Russia is still lagging, as always.

Russia's activities in the West will continue to concentrate on aid for her reforms. Scarcely can we expect any particular changes or any sharp increase in the influx of aid.

As President Yeltsin noted recently, Japan is on the back burner as regards help. On the eve of his visit to that country, this rings out as a definite hint. However, without a territorial solution acceptable to Japan it would be unrealistic to expect aid from Tokyo.

President Yeltsin is something of a daredevil and may already agree in September during his visit to Japan to hand over two of the islands. Will that satisfy the Japanese? On the other hand, will that not cause our national patriots to run amuck, which would be rather risky on the eve of the Congress?

Marina Shakina

Gudauta theatre of hostilities

The fighting in Abkhazia has generated new problems for the State Council in Tbilisi. It would seem that Eduard Shevardnadze is not in control, as the country is being torn apart by warlords and underworld criminals

Armed intervention in Abkhazia may generate a second Ossetia

Eduard Shevardnadze said he had moved troops into Abkhazia to deal with banditry. However, the local national guard put up a resistance and a toll has been taken of human life. Quite likely this was Shevardnadze's weakest statement in recent years. Even if he, as Chairman of the State Council who after a long while away had returned home to help his country regain peace at home and support abroad, was quite sincere, few are convinced he is right.

"Autonomy must be obliterated"

Georgian troops invaded Abkhazia on August 14. However, that that was bound to happen was plain when Parliament in Sukhumi revoked the operative Constitution.

On July 23, the Abkhazian Parliament – this meeting was boycotted by MPs of Georgian nationality – resolved to suspend the 1978 Constitution of the Abkhazian Autonomous Republic and to reinvoke the 1925 Constitution, of which the opening statement runs: "Having overthrown the state authority of the former Georgian Democratic Republic..."

Tbilisi reacted similarly as Baku did several years earlier. It announced that Abkhazian autonomy must be obliterated.

Vladislav Artzinba, Abkhazia's parliamentary Speaker, now says his country had not announced secession from Georgia but merely wanted to place relations on a new basis. However, he definitely understood how Tbilisi would react to everything the Sukhumi government and Parliment had done.

Our Special Correspondent Arkady Dubnov reports from Sukhumi:

It must be realized that Abkhazia's Georgian population is comprised mostly of Mingrelians whom Lavrenty Beria had resettled from Western Georgia. At the presidential elections in May 1991 almost 70 percent of Abkhazia's Georgians voted for Gamsakhurdia and like their compatriots in Western Georgia continue to back him.

In Mingrelia, locals are putting up armed resistance to Dzhaba Ioseliani's Mkhedrioni detachments and the State Council National Guard seeking to "pacify" Western Georgia.

According to Our Correspondent, in Abkhazia the local authorities did not harass Gamsakhurdia's supporters, on the contrary, they allowed them to organize mass rallies.

Gamsakhurdia's Abkhazian supporters controlled Sukhumi airport from which point last January the deposed president emplaned for Armenia and thence to Chechen President Dudayev in Grozny.

Shevardnadze and National Guard commander Tenghiz Kitovani may have sought to kill two birds with one stone, that is, crush the opposition and the insurgent Abkhazians.

In the upshot of the invasion, several dozen people have been killed. Possibly more casualties may follow. Today the restoration of an independent Abkhazian state is hardly conceivable. Will not this engender another South Ossetia situation?

What Ardzinba had hoped for

Though the 100,000-strong Abkhazians will never be able to resist the 4 million Georgians, the ever smouldering guerrilla warfare in Abkhazia will only aggravate the situation.

Nationalistic Russian politicians are naturally keen to have Abkhazia join Russia. However, they will fail to embroil President Yeltsin in the conflict on the pretext of protecting "our" Abkhazians.

They have been supported only by the Confederation of the Highland Peoples of the Caucasus who at their recent session decided to send help. Mention is made of Highland gunmen who have gone off to fight the "Georgian occupationists" – which many have taken as menacing a full-scale war in the area. Yet it must be realized that this Confederation is only an amorphous creation that was set up in its time in Sukhumi by the efforts of the Abkhazian Popular Front.

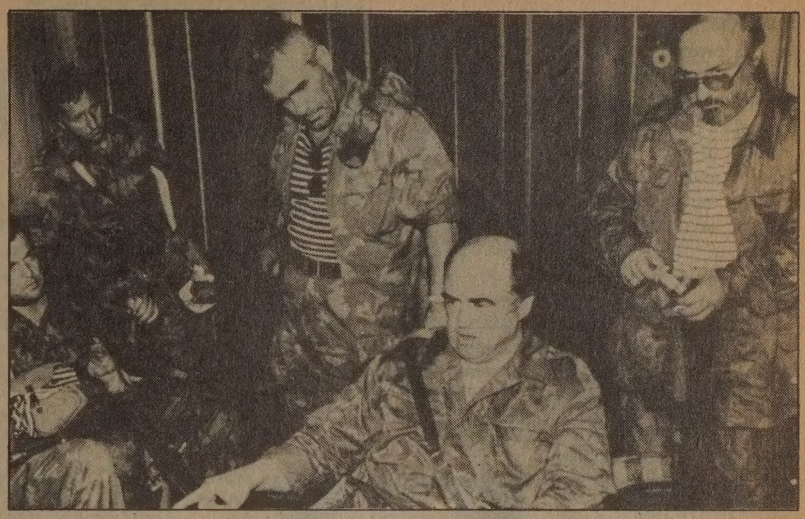
In principle, with a few exceptions, nobody either in the former Soviet republics and throughout the world at large doubts that Abkhazia is part of Georgia. Consequently, the Abkhazians have no hope of having their independence recognized.

Is it that Ardzinba and his men rely on Turkey's Abkhazian diaspora? Be that as it may, Ankara will not imperil relations with Shevardnadze.

Our Correspondent Arkady Dubnov reports:

People associated with Ardzinba told me that representatives of the State Council in Tbilisi had come to Sukhumi and had taken a tough stand. Unofficially one directly said there was nothing to agree to at present, and that when Georgia was admitted to UN membership, an entirely different tone would be taken.

Our Correspondent believes this threat was taken seriously as the alignment in the State Council wherein the hawks under Defence Minister Kitovani and Mkhedrioni leader Dzhaba Ioseliani patently outweigh the doves warrants believing a solution of the "Abkhazian problem" by force beyond all doubt.



War Minister Tenghiz Kitovani wants to resolve all of Georgia's problems by force

Consequently, the Sukhumi authorities evidently sought to steal a march by getting Abkhazia to declare it was outside the competence of the present Georgian regime.

Vladislav Ardzinba told Arkady Dubnov:

"We realize that Russia has problems with its own autonomies and that she is hence averse to encouraging secessionist tendencies."

Nor has Sukhumi any hope of relying on a favourable attitude from the world at large. Ardzinba will never be able to compete with Shevardnadze. So does he, in this case, think that the entire region can come jointly against the Tbilisi regime?

Our Correspondent Arkady Dubnov thinks *no delusions should be entertained on this score as even Western Georgia and the opponents of the State Council and Shevardnadze are against Abkhazia.*

Does this mean Abkhazia is in isolation?

The new warlords

What has been taking place in Georgia since last autumn is a nightmare. Though Kitovani's National Guard ousted President Gamsakhurdia, this has not made for peace, as the ex-President's opponents have failed to produce a leader of national standing.

Hence the invitation extended to Shevardnadze presented a good solution for Gamsakhurdia's deposers. The former Soviet Foreign Minister's clout shored up an act of dubious legitimacy.

However, to what extent does Shevardnadze control the situation in Georgia today?

The many tragedies that occurred after his return to Tbilisi show that Georgia is run by warlords as in medieval times.

Though Shevardnadze halted a tragic denouement in South Ossetia, the invasion of Abkhazia demonstrates that he is unable to bring order and accord to Georgia.

Apparently not Shevardnadze controls the situation, but the logic of internecine conflicts calls the tune for him. When leaving Moscow for Tbilisi, he plainly had no notion of what he would meet up with back home.

Each of Georgia's three autonomies, namely, South Ossetia, Abkhazia and Adjaria, are time bombs and given inflamed passions in Tbilisi, it will be virtually impossible to defuse them.

The Abkhazian Parliament's decision to revoke its 1978 Constitution naturally presented a challenge to the Georgian leadership. However, there was no need to respond with force.

But the confrontation between Tbilisi and Sukhumi is so intense that all of Shevardnadze's current political allies who invited him to "reign" would have accepted no alternative except an order to dispatch troops to Abkhazia.

With or without Georgia

In Abkhazia there had been several outbursts of resentment, in 1957, in 1967 and in 1978. In the autumn of 1988, it flared up anew and in full flower when a meeting in the village of Lykhny adopted an appeal calling for full independence.

Blood was shed in July 1989, when a conflict erupted solely due to the inauguration in Sukhumi of a branch of the Tbilisi University for Abkhazia's Georgian residents.

The Abkhazians qualified that as provocation. In the gunfire and scuffles between Abkhazians and Georgians, most really had no idea of what was taking place, and merely succumbed to the mob syndrome. According to reports in the Georgian media, sixteen people were killed and another 495 injured.

Abkhazian parliamentary Speaker Vladislav Ardzinba: "We realize that Russia is averse to encouraging secessionists"

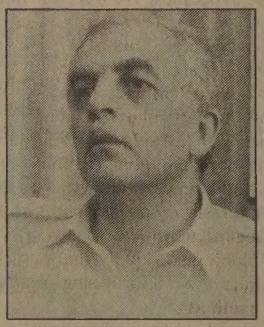
While Abkhazians reject Tbilisi's assertion that Abkhazia is part and parcel of Georgia, the Georgians, on the other hand, maintain that the Abkhazians need no autonomy at all.

Following the 1917 revolution, intensively discussed in Sukhumi, especially by the Bolsheviks, was the notion to have Abkhazia affiliate itself with Northern Caucasus, not with Georgia. The same argument is put forward today.

Other Abkhazians under Prince Shervashidze sought a linkup with Turkey with its extensive Abkhazian diaspora. However, the Georgian guard entered Abkhazia and kept the republic within Georgia. Similar action has been taken now.

State Council Chairman Eduard Shevardnadze, whose statement explaining why troops were sent into Abkhazia was very weak

Today the Popular Front says that in 1918 Georgia's Mensheviks annexed Abkhazia. The Georgians, however, had taken that as restoration of their country's territorial integrity.



Ex-President Gamsakhurdia unexpectedly backed Abkhazia, possibly out of hate for Shevardnadze

On March 20, 1919, the Abkhazian National Council declared: "Abkhazia enters the Georgian Democratic Republic as an autonomous unit about which the government and Constituent Assembly of the Georgian Republic will be duly notified."

However, two years later both Georgia and Abkhazia were dragooned into Soviet Russia.

When that happened, Arkazan Emukhvari, the first Chairman of Abkhazia's national autonomous government, and Georgia's first President Noe Zhordania, were forced to flee. Upon their death, both were buried near one another in the Georgian cemetery outside Paris.

Beria-type repression

In 1931, Abkhazia, hitherto a fully constituent republic, was reduced to the status of an autonomous republic and incorporated within Georgia. This act was naturally taken as an affront to the nation.

Abkhazians view the Beria repression as an expression of Georgian chauvinism, as forcible Georgiafication primarily resulting in a changed demographic situation.

Today ethnic Abkhazians comprise only 17.8 percent of Abkhazia's population; in Sukhumi, Georgians comprise 41.8 percent of the population, Russians 21.1 percent, and ethnic Abkhazians only 12.6 percent.

No wonder Ardzinba fled to Gudauta where ethnic Abkhazians comprise 53.3 percent of its population.

The dichotomous plight of these autonomies has created a fertile medium for interethnic conflicts of a very grave order. On the one hand, Abkhazia could decide nothing without Tbilisi's approval, which was why the Abkhazians felt that they were seen as second-rate citizens and so appealed to Moscow for protection against the Tbilisi bureaucracy. On the other hand, the written and unwritten standards of Soviet life put Abkhazians in a privileged position, with Abkhazians comprising most of the nomenklatura in that republic and in Sukhumi, where Georgians came second.

The bickering has long gone beyond the permissible.

Naturally, sharply worded pronouncements, such as: "The Georgian government is conducting a great-power nationalistic poilcy vis-à-vis Abkhazia and its people, which to all practical intents could be qualified as fresh Beria-type repression," have not escaped the eye in Tbilisi.

In reply, Abkhazians were told that for decades a privileged caste had risen up in their autonomous republic, that had elbowed Georgians out of all executive offices in political and cultural life, and that the region's elevation to republican status had offered new prospects for this caste.

"The Abkhazians are no nation"

Radical Georgians simply say there is no Abkhazian ethnos.

"Living here before were Kolkhis, Apsyls and Abazgis, and the entire community, a conglomerate, not a separate nationality were called Abkhazians. For centuries the Abkhazian princedom was politically and culturally part and parcel of the Georgian state. Georgia generally never had any autonomies." So says Irakly Batiashvili of the steering committee of the Georgian National Independence Party.

The provisional December 1991 electoral law made for the creation of a greater number of constituencies than elsewhere in regions with a large Abkhazian population. Hence the concept that the Abkhazian Parliament should have 28 Abkhazians, 26 Georgians and 11 representing other ethnic units.

Abkhazians angrily reject accusations of "apartheid" and the "humiliation of Georgians," and allude to guarantees furnished for the rights of the parliamentary minority.

Georgian MPs blocked, for example, the proposal tabled by Abkhazians to rename the Autonomous Soviet Socialist Repuiblic of Abkhazia, the Republic of Abkhazia. They also were against changing the flag and coat-of-arms, as a result of which the Soviet flag continued to proudly wave above Sukhumi until very recently.

Tbilisi countered by saying that the disproportion at Georgian and Abkhazian parliamentary representation had resulted in slighting the will of Georgians who comprise nearly half the entire population. Sukhumi has indeed provided more than enough ground for such assertions. Thus, the Georgian Givi Lominadze, the Minister of Internal Affairs, was sacked and beaten up and replaced by an Abkhazian.

Hence it was only natural, after the Abkhazian Parliament moved to Gudauta, for Ardzinba's first deputy, the Georgian Tamaz Nadareishvili, to head Sukhumi's new government.

Vitaly Shuvalov

Photos by Arkady Dubnov
ITAR-TASS

A smell of Balkan gunpowder

As the situation in former Yugoslavia and the Balkan Peninsula deteriorates Russia's policy in that region draws ever greater world attention. It is under criticism at home and abroad. Moreover, it is criticized from both sides of the ideological fence.

This is not surprising given that the Balkan Peninsula has long occupied a very important, though by no means adequate place in Russian policy. Condemning the "pro-Western" about-face in Moscow's present-day stand, some assert that Russia's Balkan policy has always been determined by solidarity with the kindred Slav peoples of Orthodox Christian faith. In the opinion of others, the "pro-Western turn" is not strong enough. Moreover, they claim it is merely a cover for the secret backing of "Serbian expansionism" in Moscow's own "neo-great-power" interests. One Moscow commentator compared Russia's present-day policy with that of the tsarist government whose protection of the Serbs and Bulgarians served merely as a cover for plans of "seizing the straits and Constantinople."

As for history, it can be said that, as always in similar cases, the truth lies somewhere in the middle. The Russian Empire did strive to gain control of the Black Sea straits. However, our people helped their Slav brothers to get rid of the Turkish yoke for entirely different reasons connected rather with national and religious sentiments. Other European states also had their considerations and interests in the Balkan Peninsula, which before the First World War was called the "powder keg of Europe."

The situation is now different, of course. But the lessons of history in the Balkan Peninsula remain highly instructive. They show first of all that the fire which again broke out in the region is likely to spread. Suffice it to recall the Hungarian minority in Vojvodina, the Albanians in Kosovo, and the problem of Macedonia, which has become a "triple knot" of contention between Serbia, Bulgaria and Greece. The flame can hardly be contained within the Balkan Peninsula.

The present situation calls for joint and concerted actions based on the common vital interest of all European and also non-European nations, actions aimed at ending Yugoslav bloodlshed and alleviating the suffering of the people. In this sense the Security Council resolution, also backed by Russia, on the armed protection of humanitarian aid caravans can serve as an example of a bold but balanced and essentially diplomatic approach.

Any interference in Yugoslavian affairs, especially with the use of armed forces, should obviously be based on an unbiassed and concrete analysis of the situation that has arisen in the defunct federation. Canadian general McKenzie, who commanded the UN forces in Sarajevo until recently and took part earlier in eight UN peace-keeping operations, had probably every reason to exclude the possibility of establishing peace in former Yugoslavia by military means. Pressure is naturally being exerted in favour of concrete actions, he said. But what kind of actions? In the opinion of McKenzie, any armed intervention would end up being of an extended nature. The West bombed Berlin and Hanoi, but nothing came out of that, he noted. The bombing of Belgrade would be even more irrational.

McKenzie thinks that the "cantonization" of Bosnia along ethnic borders would be the best solution. Something of the kind could probably be done in other multinational regions of former Yugoslavia. In any case, an unprejudiced attitude to all ethnic groups is necessary. It would be wrong to overlook "great Serbian expansionism," the "ethnic purges," carried out by the Serbian community leaders in Bosnia or the reports about "concentration camps" set up by them. But it would be equally wrong to forget about the rights of Serbian minorities in the neighbouring republics and shift the responsibility for brutalities and blood on the Serbs only, which is being persistently done mainly by some German newspapers and politicians. It would be good for them to recall such an episode of the Second World War. Croatia's pro-German dictator Pavelic kept small balls on his work-desk. They seemed to be made of glass. In fact, they were eyes of Serbian cetniks killed by Croatian ustashis.

Ustashis and cetniks are old notions, and few people in the world understand and remember what took place in the Balkan Peninsula in the past. Some readers will say that the peoples of former Yugoslavia should also forget those events if they want to put out the fire and restore their towns, factories and fields.

Well, let's follow this advice, forget the past and turn our eyes towards the future, of interest to all Balkan and European peoples. We'll see the much-suffering peninsula not as "a powder keg," not as the basement of the "European home," but as Europe's sunlit patio looking out over all parts of the world.

It would be difficult to make such a turn without Russia. In particular, the new Russia could become for the West a bridge to Belgrade if it were able to find an organic combination between certain elements (adherence to national traditions and the common interests of international stability) in its policy with regard to the Yugoslavian crisis. But the crisis is developing so rapidly that Moscow is forced to act in a hurry, by improvising and using the trial and error method.

No wonder Moscow's present policy in the Balkan Peninsula is not always well-defined and consistent. It is only natural that it has become a subject of sharp disputes in this country's political circles. These disputes are a manifestation of old differences between the Slavophiles and Westernizers. At the same time it is one more clear sign of the democratization of Russian society. Disputes of this kind would be welcomed if it weren't for the fact that they are used for playing political games of every kind.

Incidentally, there is much speculation over the Balkan affairs in Germany, France and the United States. It should be remembered by everyone that gunpowder must be handled carefully, the more so that it already exploded once in Sarajevo.

Dmitry Volsky

THIS WEEK

■ It seems the peace-keeping forces moved into Moldova have brought peace to that republic. In any case, President Snegur has lifted the state of emergency imposed four months ago. He took this measure after a meeting of the Supreme Security Council on the recommendation of the unified control commission.

The Council stated that after the peace-keeping forces had been moved into the conflict zone, the situation on both banks of the Dniester became normal, hostilities ceased and the people who took part in them were disarmed and sent home. In this situation the state of emergency, which required both energy and additional expenditure, became a burdensome and no longer needed measure. By a presidential decree responsibility for the maintenance of law and order in towns and villages of Moldova has been laid on local government bodies and Interior Ministry departments.

The Security Council made one more conclusion. With the termination of the armed conflict in the Dniester area, conditions have been laid for the political consolidation of peace. The Moldovan leaders intend to begin political discussions on the question of working out a special status for the eastern regions. The parliamentary conciliation commission has resumed its work. However, the Dniester Republic is not yet taking part in it.

They stopped the war that scorched the Moldovan soil. Now it is the politicians' turn to say their word

Experts of the United Nations and the Conference on Security and Cooperation in Europe have been invited to inform the world public more broadly of what is taking place in Moldova and how human rights and the rights of national minorities are observed there.

The "Crimean variant," proposed by a group of deputies from the left-bank territory, is becoming popular on both banks of the Dniester. Under this variant, Ukraine retains purely state powers and concerns (diplomacy, army, state security and customs) in the Crimea, while the latter acquires economic, cultural and law-making independence, that is, the full possibility to build life on the peninsula as its population desires.

In the opinion of many deputies of the Moldovan parliament from the left-bank territory, "autonomy after the Crimean model" takes the existing realities into account most fully and enables Kishinev to preserve the integrity of the state without fighting with its people.

■ It remains a puzzle why the Armenian parliament convened. The parliament was apparently called to discuss the resignation of the President on which the opposition bloc of six Civil Union parties insisted. However, the session ended without even beginning to discuss this question.

The first half of the session reminded one of a seminar on legal questions. The deputies fervently tried to establish for a long time the legitimacy of Ter-Petrosian's initiative to propose the holding of a referendum on confidence in the President. After heated debates the parliament concluded that President Ter-Petrosian does have the right to do so. The results of a referendum can only be regarded as a recommendation and are unable to decide the question of the President's resignation without introducing appropriate amendments to the existing legislation.

A group of opposition members of parliament proposed a discussion on the internal situation at the session, but the question was never even put to a vote. The Speaker described the actions of one of the deputies as tactless with regard to the parliament and took advantage of this to close the session.

As a result, the President could again get out of a rather complicated situation, moreover, without special ruses on his part.

■ While heated debates on the destiny of Levon Ter-Petrosian continued in the Armenian parliament, a candidate for the post of "the Tsar of all Armenians" unexpectedly turned up in the republic. He has quite an aristocratic name – Roland von Bagratuni-Antonyan-Boloz. He permanently resides in Budapest. The 46-year-old claimant is descended from the family of Bagratide (Bagratuni) princes who ruled in Armenia in the 10th and 11th centuries.

Having arrived in Armenia on the way from Grozny, the heir to the throne produced evidence of his descent from the family of tsars. True, there was a lack of interest in his person on the part of the authorities, so the high guest had to meet with journalists and historians who expertly assessed the common sense of the descendant and his views of current events in the world.

"The idea of uniting the Caucasus can be realized not by force of arms, but on the basis of peace, cooperation, equality and mutual assistance," the heir to the Armenian throne said. "The interests of all Caucasian peoples coincide, and each of them is unable to achieve anything in the struggle for independence and sovereignty.

"I seriously think," Bagratuni said, "that I will first become the tsar of Nagorny Karabakh. It is the only way out – the unification of Karabakh with the North Caucasus and the invitation for me to assume the throne in Stepanakert. I am at the age when Armenian Tsar Tigran the Great assumed reign."

■ The political scene in Russia becomes more varied with every passing day. As a result of some "tectonic upheavals" in Russian politics, a new organization – All-Russia Labour Conference – has been formed. It declared itself a body coordinating all forms of the working people's struggle for their rights and discussed the question of holding a country-wide warning strike. The leaders of the Conference called on their associates to regard a strike as a means of setting up local bodies which they could rely on in the struggle against the present authorities and their policy.

THIS WEEK

What does the corn-grower think of the harvest?

■ Never believe in the worst, it rarely happens, the British say. It seems this can be applied to the Russian harvest of this year. The sombre forecasts about hunger in winter because of a crop failure are strongly exaggerated, if one is to believe the words of such a competent man as Russia's Agriculture Minister V. Khlystun. He asserts that the predictions of an inevitable harvest failure have not been confirmed. The grain yield is to be 92 to 97 million tons, and 58 million tons have already been threshed. The vegetable crop will not be bad. The potato harvest will be sufficient. However, potatoes will have to be transported from one region to another because of an appreciable difference in the yields.

The situation in livestock breeding is more complex because of the insufficient supply of mixed feed. The reduction in the head of cattle is considerably less than expected. For instance, the head of large cattle has dropped by 0.2 percent. The biggest losses have been recorded in poultry farming (19 percent). Nevertheless, the main task has been achieved: the mother livestock has virtually been preserved.

■ Either the Minister described the situation in our agricultural production in the socialist realism spirit, or he was guided by the economic logic incomprehensible to the man in the street, it turned out that after all agricultural achievements we are faced anyway with a new upward spiral in food prices. Practically everything – bread, meat and milk – will become more expensive. Moreover, economists explain that the prices should have risen in January, when the rise in food prices was "postponed" for some reason. How to understand this economic mess and where to find means to survive one more increase in prices? The government keeps silent on this question.

■ The Canadian Wheat Board has announced it was ending the delivery of grain to Russia. According to its statement, which is evidently correct, Russia regularly fails to carry out its financial commitments and seriously lags behind in paying its bills. Well, such is the lot of all defaulters. An anonymous official at the Canadian Embassy expressed the opinion that the debt would soon be paid. His optimistic view of the problem is shared by the Chairman of the Grain Products Committee at Russia's Ministry of Trade Resources.

■ Nevertheless, the Canadians have been followed by the Australian Wheat Committee, which buys grain from farmers at the previously set price and then sells it abroad. The Committee announced it would sell wheat to the CIS member states only for convertible currency and after they have paid the present debt of 50.7 million dollars for the grain purchased earlier. The situation with Australian grain purchases is more complicated than with the Canadian, though Australian diplomats, like Canadian ones, are incorrigible optimists regarding wheat trade with the CIS. An Australian Embassy official expressed the opinion that, though the Wheat Committee's statement reflects the official view, politicians and businessmen of this country will certainly find possibilities for continuing traditional and mutually advantageous cooperation with Russia.

■ It seems that in the Commonwealth of Nations the exchange of economic information is organized much better than in the Commonwealth of Independent States (CIS). A terrible blow awaits our lovers of Indian tea. What happened could be expected under the present state of Russian economy. Indian tea was recently supplied to Russia under a barter agreement. It provided for the purchase of tea worth 85 million dollars by Russian foreign trade organizations. But while India continues its supplies, the goods traffic from Russia has dried up, and this left our merchants out of the tea business.

Contracts had been concluded for the delivery of goods promised by Russian industrialists. However, they refused to send goods. Russian producers are not interested in barter foreign trade operations. They want to receive convertible currency.

However, the situation is not entirely hopeless. Indian tea can be replaced by Vietnamese, which is not much worse than Georgian.

■ The administration of the town of Svetly in the Kaliningrad Region has concluded an agreement with local servicemen. Under this agreement they will gather the cattle which went astray. The shepherds in uniform will receive from owners 1,500 rubles for every day they will keep the cattle in their garrison. Is it an example of conversion?

■ The personnel of a souvenir factory in the Kirov Region welcomed back a delegation which returned from the commercial fair held in the Polish region Siedlce. The women brought with them not only a handsome sum they earned by the sale of matryoshka dolls. They also reached an agreement for an unusual barter deal. The Poles offered to supply a ton of sugar for every three tons of manure from the Kirov region.

CARTOON OF THE WEEK

Gennady Burbulis:

"What I can do no one else can"

On the eve of the first anniversary of the August 1991 coup attempt, the Museum of the Revolution, which still exists, asked Gennady Burbulis for a souvenir connected with that event. The Museum is to get a daily chronicle of last August's developments. **Gennady Burbulis,** State Secretary under the President of Russia, interviewed by **Marina Shakina,** an associate editor of *New Times,* analyzes the year that has passed since then

New Times. What, in your opinion, have been the highlights of the year that separates Russia from August 1991, the first year of freedom? Don't you feel disappointed?

Gennady Burbulis. Personally, I am not, but I admit that the feeling you have mentioned, disappointment, does show. This is a superficial impression, though. It is important to differentiate between personal emotions and problems and what can be referred to as objective processes in Russian history.

Our nation's life is unique in that we take part in the historical, I'd even say global, process of the disintegration of the totalitarian system and the establishment of the new society as living and suffering people who deal with their daily mundane problems, earn a living, settle their personal affairs and, at the same time, carry out a historic revolution. These two dimensions of our life today are inseparably interconnected. One can analyze what is going on only with these two dimmensions in mind.

Looking at the past year from that angle, it is safe to claim that we have managed to make a few important steps away from the crumbling communist system to a society of new opportunities. I emphatically deny the persistent talk about chaos, depression, disintegration. By talking about disintegration, people project their own personal problems onto the whole of society – some deliberately, others naively.

It's about time we drew a sharp line of distinction between the majority of the population and the more active politicized groups which are trying to speak for the population. These are different levels of interests, different worldviews.

Finally, no one, neither our well-wishers nor our opponents, can deny today that our people have now got freedom of choice, a freedom to choose the lifepath, to fulfil themselves. In the repressive state system of old, the life of a citizen was regimented from the cradle to the grave, with such values as talent, vocation, and the will to assert oneself often left our of account.

What we have today is not freedom yet, just a prelude to freedom. Over the past year, everyone has got freedom of choice as reward and as a severe test. Many still regard this freedom as a burden, as a new problem. Nevertheless, they will hardly be in a position to reject it...

N.T. A year ago, the democrats and all those who supported them in the fight against the SCSE (the State Committee for the State of Emercency), formed a united front. Now, as the first anniversary of the victory over the putschists is drawing near, one finds it hard to believe this has ever been the case...

G.B. Some are even talking today about a defeat for the democrats meaning that those once united by democratic action have lost their unity. Actually, it's different: the specific situation we found ourselves in, and the specific objective we pursued then called for exactly that form of organization and that kind of unity. They proved their efficacy in the extreme situation of a year ago.

A certain stage of modern Russian history is over. One may feel melancholy about that, but it ought to be realized that what we need today is an entirely different kind of activity and a dif-

ferent kind of unity. It is useless and even dangerous to try and reproduce artificially the human relationships which led us to victory in August 1991.

Anyone who wrathfully and impatiently opposed the communist regime was referred to as a democrat then. Today this kind of action and such emotions are ineffective and even destructive. The pause the democratic forces seem to have made is logical, natural and justifiable.

Democracy and Russia's democrats are not gone, and nothing has been lost. We are just changing over from political confrontation to professional action. A democrat is not an honorary life title, it is a creed. I am convinced that new tasks and new requirements of the democratic movement will bring new men and new leaders to the forefront.

There is, of course, the other end of the political spectrum, those known as national patriots and communo-fascists, who are getting increasingly active. It riles them that their cherished dream of the democrats failing, of the so-called democrats disappearing from the political scene does not come true and that, contrary to their expectations, the democratic line has not ended in a fiasco.

N.T. What is your view of the coup now?

G.B. Today I take it not so much as a triumph as a unique emotional state expressed by the President at the funeral of the three boys who had died on the barricades: "Forgive me, your President, for having failed to protect you." Now, a year after the coup attempt, we might as well look upon it not as a triumph of victors over the evil putschists but as a reminder of our common blame for the system, for the decades we had lived together, for our failure to get to the root of it earlier and to change anything.

It seems to me that the attempted coup lent urgency to the task of repentance, difficult as it is. The paradox of the hearings at the Constitutional Court is that the side advocating the President's decree and regarding the CPSU as unconstitutional feels more guilty of what happened in the past. It is more prepared for achieving catharsis by begging the nation's pardon.

N.T. What do you regard as the major victory, and what as the major defeat for the Russian government over the past year?

G.B. The very existence of the state of Russia is the greatest achievement of all. The flag of Russia was raised over the Kremlin on December 25, and then we got down to cleaning our Augean stables in the economy and in politics so as to lay the groundwork for reform. Over the year we have realized that the reforms are deep and complicated enough to take the lives of several generations to accomplish. If not an achievement, this knowledge is certainly a value we have acquired over the year.

The formation of the Commonwealth of Independent States may also be regarded as an achievement in the sense that the move was in line with objective tendencies. We realized that though it solved one problem, the CIS caused problems of a different kind. It took us half a year to recover from the infantile disorder of isolationism. In this word combination – the Commonwealth of Independent States – the idea of a commonwealth comes to the fore today. It has become clear over the year that independence is by no means synonymous with isolation and exlusiveness.

All are having it hard today, especially those who still have not understood, in these revolutionary times, what the reforms are all about. But there is also something else: ever more self-governing and self-organizing structures, forming in the periphery, are emphatically separatist and show a pointed disregard for the federal authorities. This is not to be surprised at today when the centre has neither the right nor a chance to carry our reforms "from above," military-style, by force of arms. This, too, is our common achievement.

What am I sorry about? I wish we carried out certain reforms in the periphery more efficiently. We should have defined more precisely the role and place of civil servants in carrying out the reform. It would be naive to think that all are equally sympathetic with what we are doing. I think a different approach could have been taken to the agonizing dialogue between executive power structures and the Soviets. We have underestimated what has been bequeathed to us.

N.T. Today you don't think you made a mistake by accepting the post of President Yeltsin's first deputy in the "reform cabinet, do you"?

G.B. Of course I don't.

N.T. And still, you are not really too well versed in economics, are you, for a cabinet preoccupied with economic reform?

G.B. That was done deliberately. We proceeded from the premise that the government means not only economic reforms but an integrated working mechanism as well. It was necessary to maintain in the cabinet what we had always striven for – the team spirit.

Before God, I have never regarded myself as much of an economist. At the stage when the President assumed office, the cabinet was in need of a man responsible for contacts within the government and for its external links. The choice was well-considered, but whether I've coped with my duties is another matter. I was doing my best, anyway.

Besides, it is naive to presume that for the best results the government should consist of managers only. One of the flagrant weaknesses of our executive power is the remaining gap between an economic idea embodied in government resolutions and the implementation of these resolutions. It does not take an economist to discharge this function which can be coped

Drawing by Victor Porokhnya

with by good organizer and a social psychologist.

The gap between the making and implementation of decisions is due not only to a shortage of economic managers. Conferences are arranged and instructions circulated, but one should bear it in mind that in this country nobody has ever fulfilled any instructions, and that any conference is regarded by its participants as merely a pleasant diversion.

N.T. Don't you think that you have already fulfilled your function? You have already carried out your political revolution – introduced presidency in Russia, made Russia independent, created the CIS, and launched the reform. When Yeltsin was working for full powers of government in Russia, he needed bold political ideas; today he is becoming more and more of a conservative, which is only natural: a man in his position has to be extremely cautious...

G.B. I shall never agree with you that the President is waxing conservative. The thing is that the President is the guarantor of reform and has to take the alignment of political forces into account. It is the President who is supposed to do the balancing and not to yield an inch of the ultimate objectives of the reforms. Our place and our role – by our I mean his associates' – in this balancing is being finalized, and this should not be regarded as a personal tragedy.

Side onlookers regard the regrouping of Yeltsin's entourage as the rise or fall of this or that politician, but the thing is that as the contents of the problems we have to solve are changing, so are our capabilities and roles. This is perfectly well justified politically.

It seems to me that we should not overestimate personal moods and feelings and regard them as a factor of big politics. The trouble with those who embarked on reforms in the old Union was that they identified their posts with their personalities.

Reforms are the fate of our generation of politicians. And if our place in the process is changing, for objective reasons, we should resist the temptation of regarding our posts as our eternal prerogative. At such a level of politics and on such a scale of reforms, differences in personal roles are only natural. This matter should be approached professionally.

N.T. Yeltsin is balancing, but will he manage to maintain the balance under control? Do your really mean it that the number of the remaining democrats in the President's entourage, and the number of those he has appointed Vice-Premiers, Ministers and Deputy Ministers does not mean anything? Isn't it by such changes that side onlookers judge about the fluctuations of the policy line?

G.B. Your question amounts to the presumption of the President's guilt. I consider this incorrect. I have already made it clear that the notion of the onmarch of Russia's reforms as a solid triumph for democracy is a politically naive notion. We are now going through a complicated period of transition marked not only by the regrouping, but by the crystallization of political forces as well. Political positions are taking shape.

The political will embodied in Yeltsin's personality may manifest itself in different ways. This is the will of a resolute politician who can say the right word at the right time, and do it effectively. A no less significant will materializes itself in other forms and intonations, not necessarily taking on the image of a demonstrator and a destroyer. I have no doubt that this will has been preserved and that it rests on realistic capabilities.

The President remains the last instance which bears full responsibility for Russia. He is precisely the person who has the right to be apprehensive of social upheavals and to prevent them, by his actions at least. He cannot pave the way for home policy cataclysms either by his inactivity, or by his unjustified actions.

Whereas some politicians insist on sweeping and radical reforms, and others are bent on blocking any reforms in the hope of bringing the old order of things back sooner or later, the President concentrates on making progress with its adverse effects on most of the population reduced to a minimum, and with the people protected from threats and trials to the maximum extent. This is the cross Yeltsin has to bear, and this is the mission he has to perform.

N.T. You say that one shouldn't overestimate the influence of individuals on Russia's current policy line. There is talk, however, that in selecting his associates the President is partial towards persons he has a liking for...

G.B. This is both true and not true. Today we have no well-adjusted civil personnel system. For decades, personnel selection problems were dealt with by the Organization Department of the Central Committee which had tens of thousands of files and which could, within thirty minutes of request, come up with candidates selected in accordance with the desired "parameters."

We have no regular personnel selection system, its creation is in the order of the day. There is the need for new personnel, in the spheres of civil service, economic management and law, to take care of Russia's reforms. Therefore, the leader's personal opinion of the person he appoints to a post which calls for confidence and mutual understanding is very important. However, the way the reform cabinet has been formed, and the way it is now being renewed show that the emphasis is on competence, professionalism and, of course, trustworthiness.

N.T. What are your functions now that you have ceased being First Vice-Premier of the government and State Secretary of the Russian Federation and become Secretary of State under the President of the Russian Federation?

G.B. The range of my duties is being finalized, but in general they haven't changed much since my re-appointment.

N.T. Do you mean that you are still concerned with the strategy of reforms?

G.B. To be more exact, I fulfil the President's assignments connected with political problems, on the whole, with working out the strategic policy line. Specifically, I am in charge of mapping out foreign and home policy lines, personnel policy, and supply of information essential for reforms. We have come to the conclusion that without a well-organized special and general information supply system it is difficult to make quality decisions.

Coming within my terms of reference is the entire range of problems connected with real political processes, interaction with parties and organizations. Besides, I remain the curator of science, education and culture which is also considered to be a useful function of the government.

N.T. Is it true that you no longer have free access to the President and have to make an appointment with him?

G.B. No. I can see the President any time.

N.T. Don't your function and those of the Security Council overlap? Don't you duplicate one another? Doesn't your concept of, say, foreign and home policy lines differ from its?

G.B. The Security Council is certainly doing an important and very topical job. Its function has been clearly defined by law as the maintenance of security.

N.T. Security is a pretty loose notion, isn't it?

G.B. You can't take too much care of security. It always needs more attention than you give it.

I never attempt dealing with matters which are outside my terms of reference. I do not have to look for a job in the complex of Presidential structures. Quite on the contrary.

N.T. Do you mean to say that you are above competition in Yeltsin's entourage?

G.B. I'd put it more tactfully: I know my worth. That's why, like any other man, I can say: what I can do, no one else can.

DOSSIER

Central Bank of the Russian Federation
No.3 January 22, 1991

REGULATIONS ON THE PROCEDURE OF THE MANDATORY SALE OF HARD CURRENCY BY ENTERPRISES, ASSOCIATIONS, ORGANIZATIONS AND INDIVIDUALS TO THE REPUBLICAN HARD CURRENCY RESERVE OF THE RUSSIAN FEDERATION, THE HARD CURRENCY FUNDS OF THE REPUBLICS, TERRITORIES, AND AREAS WITHIN THE RUSSIAN FEDERATION AND THE STABILIZATION HARD CURRENCY FUND OF THE BANK OF RUSSIA

Pursuant to the decree of the President of Russia of December 30, 1991 "On the Establishment of the Republican Hard Currency Reserve of Russia in 1992," the following procedure shall govern the mandatory sale of hard currency by enterprises, associations, organizations and individuals (hereinafter referred to as enterprises) conducting business and registered on the territory of Russia.

I. General

1. All hard currency earnings of enterprises shall be deposited in their transit hard currency accounts which shall be opened and managed along with the current hard currency accounts of enterprises at banks and other financial institutions operating on the territory of Russia and licensed by the Bank of Russia and the State Bank of the Soviet Union to conduct foreign exchange operations, as well as at the Foreign Economic Bank of the Soviet Union, the International Investment Bank and the International Bank for Economic Cooperation (hereinafter referred to as "authorized banks").

2. If enterprises export goods (or services) without intermediary foreign trade organizations, hard currency to be mandatorily sold to the Republican Hard Currency Reserve of Russia, the hard currency funds of the republics, territories and areas within the Russian Federation and the stabilization hard currency fund of the Bank of Russia shall be withdrawn from their transit hard currency accounts on an order of exporting enterprises.

3. If enterprises export goods (or services) through intermediary foreign trade organizations, hard currency to be sold on a mandatory basis to the Republican Hard Currency Reserve of the Russian Federation, the hard currency funds of the republics, territories and areas within the Russian Federation and the stabilization hard currency fund of the Bank of Russia shall be withdrawn from the transit hard currency accounts of these intermediary organizations on their order.

The remaining hard currency revenues after mandatory sale, less charges in favour of the intermediary, shall be remitted to the current hard currency accounts of the clients on an order of the intermediary foreign trade organization.

4. If goods (or services) are exported by enterprises fully owned by foreign investors or joint ventures in which foreign investors hold more than 30 percent of the authorized fund, hard currency to be sold on a mandatory basis to the Republican Hard Currency Reserve of the Russian Federation, the hard currency funds of the republics, territories and areas within the Russian Federation and the stabilization hard currency fund of the Bank of Russia shall be withdrawn from the transit accounts of the enterprises, after the entire hard currency revenue has been deposited there by above-mentioned intermediaries, less the cost of shipping, insurance and freight forwarding abroad, as well as charges in favour of the intermediaries.

5. Upon the remittance of hard currency from transit hard currency accounts to the Republican Hard Currency Reserve of the Russian Federation, the hard currency funds of the republics, territories and areas within the Russian Federation and the stabilization hard currency fund of the Bank of Russia, the remaining hard currency revenues shall be remitted, on their order, to their current hard currency accounts and can be used in any way consistent with existing legislation.

6. No interest shall be charged by authorized banks on the remaining funds of transit hard currency accounts.

No commission charges shall be levied on the operations of authorized banks to establish the Republican Hard Currency Reserve of the Russian Federation, the hard currency funds of the republics, territories and areas within the Russian Federation and the stabilization hard currency fund of the Bank of Russia.

MOSCOW BUSINESS WEEK

DOSSIER

II. Procedure of Mandatory Sale of Hard Currency by Enterprises to the Republican Hard Currency Reserve of the Russian Federation and the Hard Currency Funds of the Republics, Territories and Areas Within the Russian Federation

7. Enterprises which export goods (or services) listed in Annex 1 to the decree of the Russian Federation of December 30, 1991 "On the Establishment of the Republican Hard Currency Reserve of the Russian Federation in 1992" shall sell 40 percent of their net hard currency earnings (hard currency revenue of enterprises from the export of goods and services, less the costs of shipping, insurance and freight forwarding abroad).

The mandatory 40 percent quota on the sale of hard currency proceeds for the following services listed in Annex 2 to the decree of the Russian President of December 30, 1991 "On the Establishment of the Republican Hard Currency Reserve of the Russian Federation in 1992" shall apply to:

– rail, marine, air, automobile and river transport, insurance and forwarding of freight to the hard currency proceeds from suppliers of exports and buyers of imports, enterprises and individuals in the Russian Federation as well as foreign clients less the cost, in hard currency, of rendering such services which are included in the cost of these services (less the expenditures and losses in hard currency listed as profits and losses);

– for trade mediation operations:

a) for trade operations carried out at one's own cost – to the hard currency earnings from the sale of goods (or services) less the cost in hard currency of buying goods (or services), including the cost of shipping, insurance and forwarding of freight abroad, less the expenditure and losses in hard currency listed as profits and losses;

b) for trade operations at the expense and request of the client – to the sum of commission charges in hard currency;

– for banking operations – to the excess of hard currency revenues of authorized banks over payments in hard currency involved in the performance of banking operations. The sale of part of the hard currency earnings from banking operations shall occur only after the approval of the annual balance and the profits and losses account of the bank for 1992;

– for travel (including hotel accommodation) and cultural services – to hard currency proceeds from the realization of these services, less the expenditure in hard currency incurred in the rendering of such services and included in the cost of these services (less the expenditures and losses in hard currency listed as profits and losses).

The mandatory sale of 40 percent of the net hard currency earnings shall occur at the special commercial exchange rate of the ruble of the Bank of Russia valid at the time the hard currency proceeds are deposited in the accounts of authorized banks.

The sale of 40 percent of the net hard currency proceeds from the export of goods (or services) from the Russian territory before January 1, 1992, shall occur at the commercial exchange rate of the ruble as of December 29, 1991.

The procedure for, and quotas in, the mandatory sale of part of hard currency earnings from the sale of precious stones and metals to the Republican Hard Currency Reserve of the Russian Federation shall be determined by the government of the Russian Federation.

8. The following revenues shall be exempt from the mandatory sale to the Republican Hard Currency Reserve of the Russian Federation and the hard currency funds of the republics, territories and areas within the Russian Federation:

a) the hard currency earnings from the export of products by enterprises fully owned by foreign investors and joint ventures in which foreign investors hold no less than 30 percent of the share, and which have been registered by the Ministry of Finance of the Russian Federation, the Ministry of Finance of the Soviet Union or the Ministry of Economy and Finance of the Russian Federation;

b) the hard currency earnings of the banks fully owned by foreign investors and joint banks in which foreign investors hold more than a 30 percent share, and which have been registered by the Bank of Russia or the State Bank of the Soviet Union;

c) the hard currency earnings from the export of final or intermediate goods and materials as part of international production cooperation, including cooperation in the processing of virgin raw materials.

Exempt from mandatory sale is part of the hard currency earnings in cases stipulated by existing laws.

9. The 40 percent of net hard currency earnings shall be purchased for the benefit of the Republican Hard Currency Reserve of the Russian Federation by the Foreign Trade Bank of the Russian Federation.

Enterprises may direct up to two percent of their net hard currency earnings (to be accounted as sales of hard currency to the Republican Hard Currency Reserve of the Russian Federation) to the hard currency funds of the republics, territories and areas within the Russian Federation. This part of net hard currency earnings shall be purchased by the Foreign Trade Bank of the Russian Federation or other banks authorized by republican and local governing bodies to keep accounts of corresponding hard currency funds at the expense of corresponding budgets.

10. When hard currency is remitted to the account of an enterprise for the export of goods (or services) the authorized bank shall notify the enterprise not later than the following working day (in accordance with the Bank of Russia form – see Annex 1) with an abstract from the transit monetary account attached.

11. After hard currency payments have been made to the enterprise, the latter shall issue an order to authorized banks for the mandatory sale of 40 percent of the net hard currency revenue (less the cost of shipping, insurance and forwarding) to the Republican Hard Currency Reserve of the Russian Federation, the hard currency funds of the republics, territories and areas within the Russian Federation.

12. The payer shall use his transit account with the authorized bank to pay the cost of shipping, insurance and international forwarding of freight.

13. Three times a month (every ten days), on the order of their clients, authorized banks shall remit from their transit hard currency accounts the part of the net hard currency earnings to be sold on a mandatory basis to the Foreign Trade Bank of the Russian Federation or other banks authorized by republican and local governing bodies to hold the accounts of the hard currency funds of the republics, territories and areas within the Russian Federation.

If the enterprise fails to serve a payment order 14 days after the bank has notified the enterprise of the receipt of hard currency, authorized banks shall remit 40 percent of the gross hard currency earnings to the Republican Hard Currency Reserve of the Russian Federation and the hard currency funds of the republics, territories and areas within the Russian Federation. A refund will be given only after the enterprise has remitted the payment order.

14. Authorized banks shall remit part of the net hard currency earnings to the Foreign Trade Bank of the Russian Federation or other banks authorized by republican and local governing bodies to hold the accounts of corresponding hard currency funds, to the accounts of the Republican Hard Currency Reserve of the Russian Federation and the hard currency funds of the republics, territories and areas within the Russian Federation.

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DOSSIER

The assets of the Republican Hard Currency Reserve of the Russian Federation shall be kept in special balance account No. 7413 at the Foreign Trade Bank of the Russian Federation.

15. For the purpose of inter-bank settlements involved in the mandatory sale of part of hard currency earnings to the Republican Hard Currency Reserve of the Russian Federation, authorized banks shall open correspondence accounts with the Foreign Trade Bank of the Russian Federation. The procedure for such settlements shall be determined by correspondence agreements.

16. When part of the net hard currency earnings is remitted to the Republican Hard Currency Reserve of the Russian Federation, the enterprise shall, together with an order to transmit hard currency, present to the authorized bank a payment request marked "for the sale of 40 percent of export hard currency earnings" to the Ministry of Economy and Finance of the Russian Federation to write off account No. 85125130, opened with the Bank of Russia, MFO 191027 and deposit into the current account of the enterprise the ruble equivalent of the hard currency remitted at the special commercial exchange rate of the ruble of the Bank of Russia.

17. When up to two percent of the net hard currency earnings is remitted to the hard currency funds of the republics, territories and areas within the Russian Federation, enterprises shall, together with an order to remit hard currency, present to the authorized bank a payment order marked "for the sale of two percent of export hard currency earnings" to appropriate local administration bodies to clear them from their accounts and enter into the current account of the enterprise the ruble equivalent of remitted hard currency at the special commercial rate of the ruble of the Bank of Russia.

III. Procedure for Mandatory Sale by Enterprises of Hard Currency Towards the Stabilization Hard Currency Fund of the Bank of Russia

18. Enterprises shall sell 10 percent of their net hard currency earnings to the Bank of Russia towards the establishment of a stabilization hard currency fund and remit the remaining hard currency earnings to the enterprise hard currency fund. The ruble equivalent of the hard currency remitted to the stabilization hard currency fund of the Bank of Russia shall be entered into the account of the enterprise at the market rate of the ruble fixed by the Bank of Russia and valid at the time hard currency was received in the accounts of authorized banks.

19. All enterprises, irrespective of their form of ownership, registered on the territory of the Russian Federation, shall sell hard currency towards the stabilization hard currency fund of the Bank of Russia. This includes enterpises fully owned by foreign investors, joint ventures, irrespective of whether they conduct business independently or through intermediaries and character of the deals, including the marketing of goods and services on the territory of the Russian Federation for hard currency, with the exception of hard currency receipts specified in Item 8 (c) hereunder, and in other cases stipulated by existing laws.

20. Enterprises and banks shall sell hard currency towards the stabilization hard currency fund of the Bank of Russia in accordance with the procedure set forth in Item 1.

21. Enterprises and banks shall remit 10 percent of their net hard currency earnings towards the stabilization hard currency fund of the Bank of Russia, whose assets are kept in special balance account No. 7414 at the Foreign Trade Bank of the Russian Federation.

22. If an enterprise remits 10 percent of hard currency earnings towards the stabilization hard currency fund of the Bank of Russia, it shall submit to the authorized bank, together with the remittance order, a payment order marked "for the sale of 10 percent of export hard currency earnings" to the Bank of Russia for the ruble equivalent of the remitted hard currency at the rate of the ruble fixed by the Bank of Russia to be written off account No. 904, opened at the Bank of Russia offices in the location of the correspondence account of the authorized bank of the exporter enterprise, and entered into the current account of the enterprise. The remaining funds in the account shall be daily remitted to the Bank of Russia, MFO 191027.

IV. Reports and Enforcement

23. Authorized banks shall, not later than the 25th of every month, following the report month, submit to the Bank of Russia and the Foreign Trade Bank of the Russian Federation data on the total volume of hard currency receipts (in accordance with the Bank of Russia form – see Annex 2) stating the sum remitted to the Republican Hard Currency Reserve of the Russian Federation, the hard currency funds of the republics, territories and areas within the Russian Federation and the stabilization hard currency fund of the Bank of Russia.

24. Enterprises shall be held liable for timely and full remittance of assets to the Republican Hard Currency Reserve of the Russian Federation, the hard currency funds of the republics, territories and areas within the Russian Federation and the stabilization hard currency fund of the Bank of Russia.

In the event of violation of the outlined provisions, including concealment of hard currency earnings from mandatory sale, or failure to remit in full, the Inspection of Hard Currency, under the Russian government, may apply the following sanctions:

– deprive the enterprise of licences for the export and import of goods (or services);

– petition the Bank of Russia to withdraw from authorized banks licences to conduct hard currency operations;

– irrevocably claim the arrears on remittances of hard currency to appropriate hard curreny funds, and, in the absence of the requisite hard currency assets, the ruble equivalent of the total arrears at the market rate fixed by the Bank of Russia;

– to impose fines as determined by the Hard Currency Council of the Russian Federation.

25. Authorized banks shall monitor timely and full remittance of assets of the Republican Hard Currency Reserve of the Russian Federation, the hard currency funds of the republics, territories and areas within the Russian Federation and the stabilization hard currency fund of the Bank of Russia.

26. The Hard Currency Inspection, under the Russian government, working in conjunction with the Bank of Russia, shall make spot checks of authorized banks and enterprises to establish correct and timely settlement towards mandatory sale of hard currency to the Republican Hard Currency Reserve of the Russian Federation, the hard currency funds of the republics, territories and areas within the Russian Federation and the stabilization hard currency fund of the Bank of Russia.

27. Should violations of the outlined provisions be detected, including delays in mandatory sale of hard currency, the Bank of Russia can apply the following sanctions:

– suspend or withdraw the licence to conduct hard currency operations from the authorized bank;

– confiscate irrevocably the equivalent of arrears of the authorized bank on remittances of hard currency to corresponding exchange funds and impose fines in hard currency at the London inter-bank offered rate for one month, plus four percent per annum for every day of delay, and, in the absence of the required hard currency assets, the ruble equivalent of the arrears at the market rate fixed by the Bank of Russia.

MOSCOW BUSINESS WEEK

DOSSIER

The Supreme Soviet of the Russian Federation adopted the Law of the Russian Federation "On the Monetary System of the Russian Federation" in its second reading on June 18. The law defines the legal basis of the monetary system and its function in the republic

Resolution of the Supreme Soviet of the Russian Federation

On the Bringing into Force of the Law of The Russian Federation "On the Monetary System of the Russian Federation"

The Supreme Soviet of the Russian Federation hereby rules that:

1. The law of the Russian Federation "On the Monetary System of the Russian Federation" shall be brought into force on July 1, 1992.

2. Notes of the State Bank of the USSR, state treasury notes of the USSR, and coins dated 1961 through 1991 in circulation shall be accepted as legal tender throughout the territory of the Russian Federation at their face value for all payments, for placing into accounts, deposits and letters of credit, and for transfers.

3. The government of the Russian Federation and the Central Bank of the Russian Federation shall take steps to ensure wider use of non-cash payments which will reduce requirements for cash, and to ensure better collection of sales revenues.

4. Until the legislation of the Russian Federation is brought into conformity with the law of the Russian Federation "On the Monetary System of the Russian Federation," all previously passed enactments shall be applied only insofar as they do not contradict the said law.

5. The Central Bank of the Russian Federation and the government of the Russian Federation shall, in accordance with established procedures, present proposals with respect to amending and supplementing the legislation of the Russian Federation in order to ensure compliance with the requirements of the law of the Russian Federation "On the Monetary System of the Russian Federation."

Chairman of the Supreme Soviet
of the Russian Federation
R. KHASBULATOV

The Law of the Russian Federation "On the Monetary System of the Russian Federation"

I. General

Article 1. The Present Law establishes the legal basis of the monetary system of the Russian Federation and its functioning thereof.

Article 2. The monetary system of the Russian Federation shall be defined as inclusive of the official monetary unit, cash issuance regulations, and the organization and regulation of monetary circulation.

Article 3. The official monetary unit (currency) of the Russian Federation shall be the ruble. One ruble shall be equal to 100 kopeks.

The introduction of any other monetary units and the issuance of money substitutes on the territory of the Russian Federation shall be prohibited.

Article 4. The ruble's parity in terms of gold or other precious metals shall not be established officially.

The official exchange rate of the ruble against the monetary units of other countries shall be established and quoted on a weekly basis by the Central Bank of the Russian Federation.

Article 5. Persons found guilty of violating the requirements of the Present Law shall incur criminal, administrative or pecuniary liabilities in accordance with the legislation of the Russian Federation.

II. Cash Issuance

Article 6. The issuance of cash, the organization of its circulation, and its removal from circulation on the territory of the Russian Federation shall be the exclusive prerogative of the Central Bank of the Russian Federation.

Article 7. Cash shall be put into circulation in the form of bank notes and metallic coins.

Bank notes and coins shall represent unconditional obligations of the Central Bank of the Russian Federation and shall be secured by its entire assets.

Article 8. The forms of bank notes and coins shall be approved by the Central Bank of the Russian Federation in consultation with the Presidium of the Supreme Soviet of the Russian Federation.

Article 9. The bank notes and coins put into circulation by the Central Bank of the Russian Federation shall be accepted as legal tender throughout the territory of the Russian Federation at their face value for all payments, placement into accounts, deposits and letters of credit, and transfers.

Article 10. Forgery and the unlawful manufacturing of bank notes and coins shall be punishable in accordance with the legislation of the Russian Federation.

Article 11. The Central Bank of the Russian Federation shall bear responsibility for adjusting the denominational composition of the stock of ready money in circulation in such a way as to ensure that payments may be conducted promptly on the territory of the Russian Federation.

III. Payments

Article 12. Payments on the territory of the Russian Federation shall be effected in the currency of the Russian Federation, with the exception of cases provided for by the legislation of the Russian Federation.

The procedures and conditions of payments in foreign exchange shall be defined by the Central Bank of the Russian Federation in accordance with the legislation of the Russian Federation.

Payments on the territory of the Russian Federation shall be effected in the form of cash payments or bank transfers.

Article 13. The types of bank transfers shall be set out in rules drawn up by the Central Bank of the Russian Federation in accordance with the legislation of the Russian Federation. The form of the instruments of payment used in effecting bank transfers on the territory of the Russian Federation, including payment orders, promissory notes, bills of exchange, checks, and all other forms, shall be approved by the Central Bank of the Russian Federation.

Article 14. Payments between legal entities, as well as between legal entities and individuals, with a sum in excess of limits set by the government of the Russian Federation shall be effected only in the form of bank transfers.

IV. Organization and Regulation of Monetary Circulation

Article 15. The Central Bank of the Russian Federation shall:

– organize the production, transportation and safekeeping of bank notes and coins, and the creation of reserves thereof;

– draw up rules for the safekeeping, transportation and collection of cash;

– define criteria for determining the maximum degree of wear that bank notes and coins may exhibit to remain in circulation, and draw up procedures for replacing and destroying damaged bank notes and coins;

– draw up procedures for the conduct of collection operations in the Russian Federation.

Article 16. The regulation of monetary circulation in the Russian Federation shall be effected in accordance with the Fundamentals of the Monetary Policy of the Russian Federation, which shall be drawn up and approved in accordance with procedures established by the banking legislation of the Russian Federation.

MOSCOW BUSINESS WEEK

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A new tax department seems untimely and burdensome for the current budget

On Friday evening I received a letter from a tax inspector which said: "You have to come to the State Tax Inspection to fill out a declaration on the author's fees you received in 1991. You must have your passport with you. Reception hours: from 3.30 p.m. to 5.30 p.m. daily, except Friday, Saturday and Sunday. Vera Ivanovna Kosinskaya, tax inspector."

On Monday I came to the inspection office at the appointed time. I witnessed the dreary corridors and rooms described many times by writers in prose and verse. In the rooms were tax collectors – girls and women, our wives, sisters and mothers. And not a single man. It meant they had low salaries. One girl looked at me and said that Vera Ivanovna was sick and would return to work only next week.

A month and eight days later, on Friday evening, I received another letter from the tax inspector, which said: "A follow-up letter. You have to come to the State Tax Inspection to fill out a declaration form on the author's fees you received in 1991. You must have your passport with you. Reception hours: from 4.00 p.m. to 5.45 p.m. daily, except Friday, Saturday and Sunday. Vera Ivanovna Kosinskaya, tax inspector."

On Monday, at the appointed time, I phoned Vera Ivanovna and boasted that, as a disciplined taxpayer, I came to the inspection office upon receiving the first letter, but that she was sick.

"I was all right," Vera Ivanovna replied quietly. "My child was sick." She asked me to come next morning earlier this time. Needless to say I arrived as I had been told.

The tax and ice-cream

We had a very simple and polite conversation. Vera Ivanovna asked me to take a seat, and so I did. She took out my file and began to fill in a dull form with my passport data. Then she produced a little calculator and, without knitting her brow, began to count something.

"You owe 15 rubles," Vera Ivanovna said finally.

"To whom?" I asked.

"The state."

Instructed by Vera Ivanovna, I went right away to a savings bank and transferred 15 rubles to the state. On the way to the bank I bought an ice-cream for 12 rubles.

The meeting with Vera Ivanova, a tax collector, almost upset me. I could not understand why the state has to keep institutions which collect taxes equalling the cost of one ice-cream. By the way, at the time of writing this article ice-cream costs 18 and 23 rubles, and I've even seen ice cream for 50 rubles.

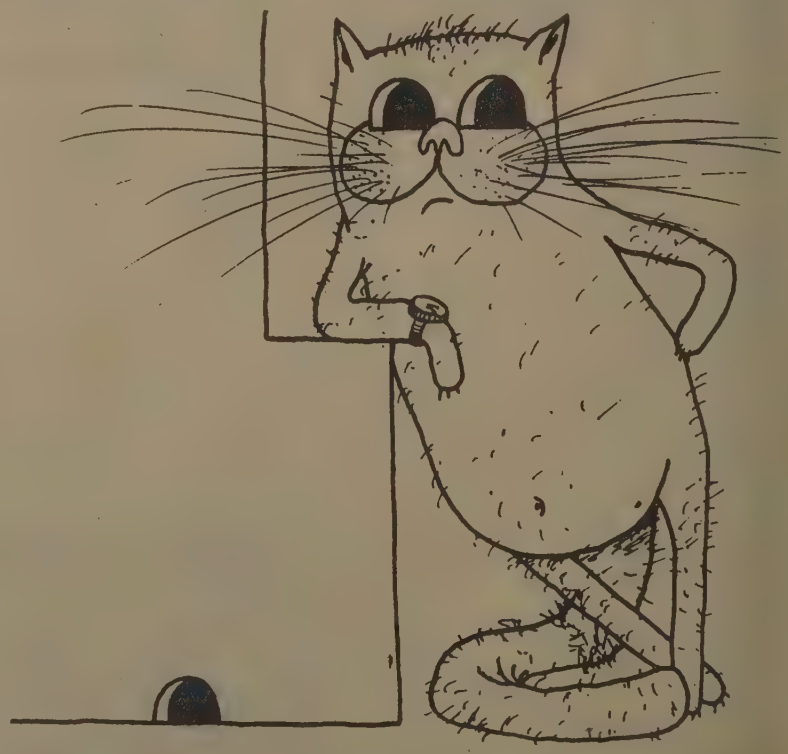
Office secret

At the Finance Ministry of Russia I was told that tax inspection bodies are entirely new institutions. However, they are subordinate not to the Finance Ministry but to the State Tax Service of Russia. The Finance Ministry of Russia is now situated in the building of the Finance Ministry of the ex-USSR, while the State Tax Service has been given the building of the former Finance Ministry of Russia. The two ministries have remained virtually since the head of the State Tax Service is in the rank of minister.

On the day I phoned the State Tax Service the atmosphere was hot there. One of its chiefs, Ulyanov, (Lenin's real name, incidentally), called a meeting of the board which was attended by the heads of all departments. The board was in session all morning long, at lunch time and even after lunch.

Ulyanov worked without rest and lunch. I could not even find out what post he holds. He made the entire office terribly busy. No one could even give answers over the telephone.

I decided to go to this institution, with the rank of a ministry, to see the creative upsurge of labour activity with my own eyes. At the entrance I saw people who wanted to get inside. They were not let it. I was not let in either, though I had with me my press pass. The guard told me that I had to order a special pass. In the side room without windows I saw people sitting and standing. They were waiting for their turn to talk on the only intercom phone. When my turn came, Ulyanov's secretary told me that the board was still in session. I said I was in the



Drawing by Vyacheslav Shilov

building and so Mr Ulyanov and me could at last see each other. But the secretary refused to let me in. On returning to the editorial office, I phoned her again. The board meeting continued. I phoned several more times, but the mysterious Ulyanov did not want to stop. He was evidently hurrying to get into the market economy earlier than the rest of the country.

Suddenly Ulyanov's secretary told me that the board had a break. The bosses were probably hungry. But all the same I was not connected with Ulyanov. I was told that some Vorobyova would answer all my questions.

The invisible Mrs Vorobyova, who was evidently hungry but had not lost her revolutionary zeal, spoke with me in this way:

"How many tax inspection bodies are there in Russia? It's a secret. How many inspectors? It is also a secret. No, I don't have a mania for secrecy."

Though I do not have the experience of investigation work, I managed to refute this revolutionary lady. I convinced her that the information about tax inspeciton bodies and inspectors is not a secret. It turned out that 3,000 tax inspection centres were to be set up and 100,000 people employed by them in Russia by 1993. What is the maintenance cost of the State Tax Service which has been set up to replenish the treasury?

"It's a secret," Mrs Vorobyova replied.

I tried in vain to persuade her that the taxpayers must know everything about taxes. I phoned Ulyanov again. His secretary Tatyana replied:

"He is free, but he does not pick up the receiver. Phone Vorobyova." "But I've already talked to her."

Click! Tatyana switched off the telephone so that I could not hear her intimate conversation with the boss. Another click.

"He says you must address Vorobyova all the same."

"Tell him that such disrespect..."

"Tell him yourself," the secretary exploded and hung up on me.

A generous law

If Ulyanov does not burn himself out and doesn't exhaust the people around him by the time this article is published, he will have to tell readers what sum has been allocated in the budget for him, his secretary Tatyana, the reticent Vorobyova, and the tax service as a whole. As many as 3,000 inspection agencies and 100,000 tax collectors for Russia... Is it enough or not? Where did these figures come from? Not to mention the money.

The answers had to be given in the Law on the State Tax Service of the Russian Federation. However, a careful reading of the document helped me to understand the police tone of the letters from Inspector Vera Ivanovna. It turns out that tax inspection bodies work in close contact with the Interior Ministry bodies. Policemen are required to "give practical assistance to state tax inspection bodies" in their efforts to extract taxes from citizens. I also read in the document something usually not written in laws: tax service employees should be provided with housing, pre-school and also school establishments. The law says that if a riotous millionaire kills an inspector, the latter's family will receive an allowance equalling "a 10-year pay." If an inspector is severely beaten, the compensation will equal "5-year's pay." If someone hits a tax inspector, the inspector receives a 5-months salary. All the payments will be made from the state budget of Russia.

It is a very just arrangement. But no one knows the budget cost of such bounties as housing, education establishments for their children and compensations as well as the daily work and excesses of the tax service.

Tax department with an eye to the future

No one knows about taxes. Few people understood the tax system published in newspapers. It seemed extremely intricate to foreign experts, too. We are disquieted by frequent announcements on television that the parliament is again giving consideration to the tax system. Does it mean that the tax system is updated? What taxes are deducted then? How do accounting departments work? Maybe extra money is being deducted from our wages.

In short, taxes are veiled in secrecy. More exactly, it is a well thought-out secret. The main issue is concealed from us: it is now impossible to devise any new system of deductions from citizens' incomes, because no one knows whom society consists of today – who can pay taxes and in what proportions. However, the presence of a real tax service in the country gives it an air of civilization.

The situation with taxes is reminiscent of the situation with shops at one time. In the hope of an inevitable abundance we built giant shops and supermarkets throughout the country. But for some reason there was no abundance of food, and it is now impossible to say when there will be. However, glass-and-marble shops have been built. Few people know that these supermarkets have auxiliary premises which are ten times larger than the visible part. When the construction of such supermarkets began, some clever people said there was no need to spend money on them. But communist conviction prevailed. Now that the privatization of shops has begun, one owner is unable to keep a supermarket, to say nothing of filling its long counters with food supplies. The same communist obsession was evident in the establishment of the tax service.

The factory and office workers are paid wages with delay. Prices and wages are rising. The situation is very unstable. But a tax department has been set up with an eye to the future.

Free trade in stolen goods

The inscription on the arms of the US tax service says: "Taxes are payment for civilization." Exactly so if only civilization is talked about not in connection with a country which builds shops without having enough food, digs pools without having a water supply for them, and in which the President signs a decree on free trade envisaging no check-up of documents for the goods sold. As a result, people steal articles and food in factories and shops and go out into the streets to sell them. The streets and pavements are crowded with people who openly, freely and legally sell products stolen from the state. At the same time, a tax department is being set up in addition to such services as the housing and municipal ones, whose employees sit in their offices without properly organizing the repair work or the sweeping of streets and yards.

The women employed by the tax service also sit in their offices summoning people to come urgently to pay what they owe the state. In the evening, they go out of their offices and join the crowd of people who sell sundry items. Whole syndicates have been formed for the purchase of goods right at factories, in shops and at the International Sheremetyevo Airport. Noisy crowds of people pour out onto the pavements, selling pineapples, bananas and books. And they pay not a copeck to the state budget from their profits estimated in billions of rubles. Only we have to pay.

* * *

I think we could live quietly without a special tax department for another five years, and taxes could be collected in the old way, the more so that the Finance Ministry of Russia still has a tax department. A cumbersome tax ministry is today a heavy burden for the budget. Indeed, why set up a new department if everything remains as it was? There are only a few privately-run shops. Only a few cooperators have been able to pay fully for their state equipment. We remain employees of state-run enterprises and offices. The system of taxation has outstripped us. The government has set up a special department for bureaucrats who imitate a revolution in a tea cup and are unable to devise a harmonious tax system. The current budget is replenished at the expense of impoverished journalists, actors, pensioners who lease out corners of their rooms, co-op workers who broke with their government jobs and their like.

Vyacheslav Baskov

Appletree's lucrative deal

The small American agency Appletree International, Paris newspapers report, has made a lucrative deal envied by its rivals. The deal promises the firm not only fat profits, but also a high rating in the business worlds of the United States and Western Europe.

It all began with a comparatively small business a year ago, when the agency took part in the laying of communication channels between Russia and the United States. Recently it made headlines by concluding a contract with the Ostankino TV Company of the Commonwealth of Independent States. The contract was signed quickly, without red tape characteristic of Russian bureaucracy. Under the agreement Appletree International becomes the advertizing agent for Ostankino TV Company throughout the world.

The importance of Ostankino in television can be compared with that of Aeroflot in civil aviation. Thanks to satellite television, its broadcasts cover 98 percent of the territory of the former USSR, which is equivalent to five time zones. There are something like 100 million TV sets in these zones, and the broadcasts are watched by 280 million people.

Ostankino's most popular broadcasts include the News programme, which begins at 21 p.m., Moscow time, and is watched by 57 million families, as well as Walt Disney Presents, the Mexican TV serial "The Rich Also Weep," and Jacques-Yves Cousteau's informative programmes. Ostankino also relayed the Olympic Games and other world events.

Appletree International president, Sam Hollis, admitted that the successful outcome of the talks between his company and Ostankino was made possible to a large extent thanks to excellent relations with Valentin Lazutkin, who is in charge of Ostankino's international ties and foreign broadcasting. Incidentally, it as Lazutkin whose idea it was to privatize the company.

The agreement between Appletree International and Ostankino has a global character, the Paris newspaper *Tribune* notes. It encompasses all forms of advertizing – from commercials to sponsorship, as well as joint programmes for Russian television. Sam Hollis pointed out that Russia has the same rules of ethics concerning advertizing as the United States. He expressed the intention to engage in marketing and advertizing in cooperation with many responsible advertizing agencies in the United States.

American companies, first of all Chevron, Du Pont and other multinationals, will evidently comprise a greater part of advertizers, though officially no contract has been concluded with any of them so far. However, Sam Hollis says, they have already expressed their satisfaction with regard to our agreement with Ostankino. In his opinion, they have a most opportune moment for such an initiative.

Pepsico and Kodak join forces in Russia

Pepsi-Cola International has made yet another move in the market of the former Soviet Union. The joint venture Belpak has been created, uniting Pepsi with Eastman Chemical Company (a branch of Kodak) and two enterprises from the Byelorussian town of Mogilev – the Chemfibre and Silk Textiles producing amalgamations. The company plans to use the technology of Eastman Chemical Company to produce, from environmentally clean plastic, two-litre bottles for selling Pepsi in the CIS. Starting this autumn, plastic caps will be produced in Mogilev, while the bottles themselves will be made and filled in Moscow. Half of the output will be sent to Eastern and Western Europe.

The Belpak plant will begin operations producing 500 million bottles a year, and in five years the turnover is planned to amount to $200 million, with a doubling in output.

The Americans feel confident in their choice of partners. Chemfibre manufactures 95 percent of all the polyethyleneteraftalate produced in the CIS, the plastic to be used in bottle making. The Silk Textiles amalgamation exports 20 percent of its output to the USA and Western Europe. Both enterprises are among the very few that can cooperate with the West on equal terms, thanks to modern equipment, experienced personnel and a quality product. The cooperation is sure to undergo further growth, as Belpak also plans to start making polyethylenetereftalate containers for other types of foodstuffs as well.

Caspian consortium

The political and economic situation in the CIS and the authoritative practices of some local officials are forcing the Muslim republics of the former USSR to seek new channels to export their oil and natural gas. A project is currently in the works to build a natural gas pipe from Azerbaijan and Kazakhstan to the Persian Gulf.

The project will be handled by the Caspian Consortium that was established over the last few months by Oman and Kazakhstan, with Azerbaijan joining in at a later date. The US oil corporation Chevron, which has received the right to develop the very rich Caspian deposit of the Tehgiz field, reported confidentially that it also planned to join the consortium soon.

It is estimated that the construction of a powerful new natural oil pipeline to export the Kazakhstan product will cost $1.6 billion. Oman will supply the bulk of the amount, and Kazakhstan and Azerbaijan will obtain credits to be repaid with oil subsequently produced.

It took some time for the project developers to decide where the pipe should run before they settled on Persia. Although the construction of an oil line from Northwestern Kazakhstan to the Persian Gulf along with a special tanker terminal is an expensive project, it is the safest one, given the political situation in the former USSR.

Oman has signed a special agreement with Kazakhstan entitling it to explore and produce oil in Western Kazakhstan, where between 6 and 20 billion barrels of oil are expected to be found.

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Erich Honecker's last hope

He was fighting till the end. Caged in the Chilean Embassy in Moscow, the once omnipotent ruler of the first socialist state of workers on German land was pleading in vain with the Russian leaders

When a young Moscow journalist Yelena Gorovaya first approached the Honeckers all she wanted was an interview with a man forced into a diplomatic enclosure. She finished up being entangled in foreign policy behind-the-scenes manoeuvres.

"As soon as I first met them," she recalled later, "I realized that I could not possibly be a passive onlooker. For seven and a half months the powers-that-be in Russia refused to look at the legal side of his position. It was the court of justice that should have been trying his case." She took his side and it shows. In her unique position she was able to see more than many and form her own opinion.

Only two people remained loyal to Honecker in the whole of Russia. They were Clodomiro Almeyda, Chilean Ambassador in Moscow, and his wife Irma. A couple of times Margot Honecker was invited to dine with people they knew back in Berlin. It should be said in all justice that heaps of letters from all parts of Russia kept flowing into the Embassy with money enclosed and invitations to stay in pathetically small and crowded flats Russians usually live in. During the last weeks Erich Honecker found himself completely isolated: cordiality and friendliness of Chileans were of little help. The language gap that Margot filled in the best she could was irritating. No less irritating was unability to state his opinion: Honecker had promised his Chilean friends to keep a low profile. Towards the end isolation became complete: close friends and nodding acquaintances alike who had sought his attention and got it back in the GDR ebbed away. Margot was especially bitter about Marshal Kulikov: the two families had used to live in each other's pockets in Berlin. In Mocow they didn't see the marshal at all.

Erich Honecker was walled off the talks about his future. Even more frustrating was lack of courtesy in those who were deciding his fate: the couple learned about their changing fortunes from newspapers. On Friday, July 24, Margot told me over the phone: "The journalists are free to publish all kinds of inventions about us – we are not allowed to defend ourselves."

His Berlin lawyers were Honecker's only contact with the wide world outside. Margot was allowed to see some personal friends yet these contacts were also restricted. To get to her over the phone I had to invent lies.

According to a plan?

On July 22 and 23 Germany and Russia exchanged notes. Germany asked once more "to send Honecker back," and the Russian Ministry for Foreign Affairs replied that the government of Russia had "no reasons to revise its decision to send Honecker back to Germany, as of December 1991." (In actual fact the decision was taken on November 15, 1991, not December, and was worded in harsher tones – "deportation from Russia.") The note also assured Germany that "the Russian side is prepared to lend any necessary assistance in transporting Mr. Honecker to Germany as soon as he finds himself on the Russian territory."

On July 23 the Russian Foreign Ministry sent a note to this effect (No. 419/2ey) to the Chilean embassy "in the hope that its content would be brought to Mr. Honecker's notice." For some reason it was brought to his notice late on July 27. But already on July 26, I realised that the crisis was near at hand when I finally got through to Margot on the phone. (We had agreed to

meet – Margot wanted to give me some documents and letters.) On Monday morning I began a telephone attack of the Russian parliament – I had to arrange an official meeting for her there. I told her on the phone the licence number of a white Volga (51–14 MMZh) that would come to pick her up. I would get out of it some 200 metres away from the Embassy to avoid the journalists. It was agreed that Margot should lie in the Embassy about where she was going. She told me that if the car was not allowed behind the railings she would herself go out into the street though she, too, hated to confront the journalists.

The car was allowed inside. Margot was obviously agitated. My official outfit threw her into new doubts: "I am not dressed up to the occasion." In fact, I have never seen her in anything else than a white carefully ironed blouse and a black skirt.

Two passes made out in the names of Honecker and Gorovaya were waiting for us at the White House's entrance No. 2. The guards barely skimmed my document and flatly refused to see that of Margot's.

We were received by Valery Skripchenko, Chairman of the parliamentary Commission for Control over Foreign Credits and Hard Currency and Vice-Chairman of the Commission for the Budget, Plans, Taxes and Prices. He was the first who I had caught by phone in the office and who agreed to see Margot. I was sure that other chairmen would have been as obliging. We spoke for about forty minutes: Margot described the situation and asked him to pass to Khasbulatov a document from their Berlin lawyers.

It outlined the legal basis of the "Honecker case" in Russia. The lawyers pointed to the breaches of law committed by the Russian authorities and gave advice on how to repair them. A similar document was handed in to the Russian Ambassador in Berlin with a request to dispatch it to Yeltsin and Khasbulatov through the Russian Foreign Ministry. It was on July 24. Three days later the document had not yet reached the Foreign Ministry – that was what James Holger, a special representative of the President of Chile, was told by way of explanation.

It was the second document that the Berlin lawyers sent to Moscow. Honecker himself handed it to the Russian authorities on October 25, 1991, through his interpretor Sergei Negayev. (At that time Honecker was still living in a state dacha in Barvikha, outside Moscow.) On November 16 Yuri Deryabin, then the USSR Deputy Foreign Minister (now Russian Ambassador to Finland) and Boris Kolokolov, the then RSFSR Deputy Foreign Minister, paid him a visit. Naturally enough, Erich Honecker wanted to know what had happened to the document. Deryabin assured him that it "was being studied by competent Russian laywers." That was the last answer Honecker got from Russian officials.

I have a long list of his previous and later attempts to be heard first by the Soviet and later by Russian authorities. He left it to their discretion either to supply him with tickets to any third country that would agree to have him, or to ensure him legal protection on Russian territory or to grant him political asylum in the USSR. He wrote twice to Gorbachev – on August 28 and September 11, 1991. On December 10 two letters were handed to Yeltsin and Gorbachev. On that day the Russian authorities presented him with an ultimatum about his deportation to Germany. While staying in the Chilean Ambassy he wrote twice to Yeltsin, on February 2 and March 9, 1992, to let him go to either Korea or Chile. He never asked Yeltsin for political asylum. No answers came.

Did the letters reach the right people?

Margot gave me Honecker's previous letters and two new letters addressed to Rutskoi and Yeltsin.

"They were so happy"

Skripchenko explained that Honecker had to get an official letter from the parliament that his letters had been received and would be dispatched to Khasbulatov. I stayed in the office to guard the documents and letters while Margot, together with Skripchenko, went upstairs to speak to Leonid Dekan, Khasbulatov's aide. About fifteen minutes later radiant Margot came back – she was holding an official document signed by Dekan.

Khasbulatov was away in the Crimea but Skripchenko assured us that the document would be sent to him as soon as its eleven pages packed with words were translated into Russian (the parliament had no translators of its own). When explained that the Russian authorities accused "Honecker of staying on the Russian territory illegally," Skripchenko shrugged his shoulders and dropped: "It's all the more logical for them to let him go or at least open court proceedings." So far the powers that be were reluctant to do so.

He saw us to the car – a black Volga this time. Margot asked: "What will they think at the Embassy?"

God, they were intimidated. She was agitated and on the point of tears. I left the car two hundred metres away from the embassy: a journalist crowd had swelled while we were away – they all knew that Margot had made a sortie.

We had arranged with Dekan that I would take the translation directly to the Foreign Ministry; I had to deal with Fokin, head of the Second European Department, who was engaged in talks with James Holger. (He was acting for Boris Kolokolov who was on holiday.) Fokin was not to be found in the office, so I left two phone num-

МИНИСТЕРСТВО ИНОСТРАННЫХ ДЕЛ
РОССИЙСКОЙ ФЕДЕРАЦИИ

№ 418/2оу

Министерство Иностранных Дел Российской Федерации свидетельствует свое уважение Посольс Федеративной Республики Германии и имеет честь подтвердить получение ноты Посольства № 001387 от 22 июля 1992 года, содержащей обращение Германского Правительства к Правительству Росси Федерации относительно возвращения в Германию г-на Э.Хонеккера, находящегося в настоящее врем в Посольстве Чили в Москве.

Российское Правительство, как известно, приняло решение о возвращении г-на Э.Хонеккера в Федеративную Республику Германию в декабре 1991 года и позднее подтвердило, что оснований для изменения этого решения у него не имеется.

Российская Сторона готова оказать при необходимости содействие дальнейшему следованию г-на Э.Хонеккера в Германию, как только он окажется на российской территории.

Министерство пользуется случаем, чтобы возобновить Посольству уверения в своем весьма высоком уважении.

Москва, [illegible] июля 1992 года

ПОСОЛЬСТВУ
ФЕДЕРАТИВНОЙ РЕСПУБЛИКИ
ГЕРМАНИИ
г.Москва

Перио: 24/7

The answer of the Russian Foreign Ministry to the German authorities was prompt

The last salute: Honecker says goodbye to Russia

bers and asked them to contact Dekan as soon as the translation was ready. On July 29, at 3 p.m., my mission was completed. After Honecker left Russia I called Dekan to ask what had happened to the translation. "They never called me," was his answer.

On July 28 delighted Margot told me that she had described to Holger her trip to the parliament and showed him the document she had got. "They were so happy," she said.

I seems that like myself they took it as an indication that a solution to the problem was possible. Margot was allowed to receive me in the embassy.

On the same day, having come back from the Russian Foreign Ministry, Holger informed Honecker in writing that "the Russian authorities agreed to allow Mr. Honecker to use his right of a written application within 24 hours." The clock started ticking at the moment the document was handed to him. Holger refused to explain anything. The couple was very much concerned over his silence: "We can't figure out what this means." I should say that I myself realized what THIS meant only next day.

Late on July 27 Honecker wrote a letter to Kozyrev. Funny to say, on the same day Holger was informed at the Foreign Ministry that the lawyers' paper had not reached it yet. Back on July 24 it was sent to the Russian Embassy in Germany; Holger himself brought it to the Ministry in Moscow. On July 28 Holger went to the Ministry once more to hand in Honecker's letter in which Honecker mentioned that Margot had visited the parliament and forwarded the lawyers' papers in person. The lawyers' documents were dispatched from the Foreign Ministry to the parliament on July 29, the day of Honecker's extradition. Dekan told me this over the phone.

A tie for history

On July 28, about 5 p.m., I entered the Chilean Ambassador's residence. The maid accompanied me upstairs. I knocked at the door – Margot opened it, embraced me and closed it immediately after me. For the last few months they barely left their room. We shaked hands with Honecker who was smiling nicely. As always in his room he was wearing a white carefully ironed shirt outside the trousers. He made it a point to be seen outside only fully dressed – in his suit and a tie. Once I asked him to be photographed with me. He went up to his room and came back wearing the dark navy suit (the only one that I saw him wearing) and a tie. He left for Germany dressed in the same way.

It was my first visit to the room. It was a rather large bedroom with a small desk, a small sofa and a low coffee table. There was a large open suitcase on the floor to the right of the window. Several other small locked suitcases were piled at the bathroom door. On top there was Honecker's grey hat in which he could usually be seen taking his strolls and in which he was taken back to Germany. I stayed for about an hour and a half. It was only once that somebody disturbed us: the Embassy's Councellor brought newspapers. For twenty minutes Honecker sat in an armchair reading a newspaper. I thought it was *Bild*. Unlike his wife he was absolutely composed. This was his usual state. Then he sat down to write a letter to Khasbulatov. Margot and I nestled on the sofa to look through the newly received documents.

When he finished writing I said that they should have a copy. After a short hesitation Margot decided against making a copy at the Embassy, Erich agreed with her and sat down to copy it by hand. I went out into the hall of the second floor where the phone was to make a call to Leonid Dekan. He said that the post to Khasbulatov would go to the Crimea in half an hour, that is, at 6.30 p.m. He assured me that they would send more post next day. He agreed to keep the messanger back for 15 or 20 minutes, not more. I said that if we were late, there was always the next day.

I came into the room where Erich had already made two copies – one for themselves, another for me. Together with Margot we translated it into Russian, I was making a clean copy while going in a taxi to the White House. Margot was visibly agitated. Erich smiled broadly and said in Russian: "Thank you very much. See you tomorrow." Margot and I embraced.

The Foreign Ministry has done all it could

I left the Embassy at 6. 20 p.m. and went immediately to the White House to hand in the letter and show the documents Margot had given me. At 7 p.m. Skripchenko gave the letter to Dekan; for some 20 or 25 minutes they were studying the documents. Time was running out – Skripchenko was in a hurry to catch his plane.

On July 29, at about 3 p.m., I called Margot. The copies of the documents were ready. She sounded depressed on the phone – sad information had reached them. She promised to give me some more documents. We agreed that she would order a pass for me and that I would come at about 4 p.m. About 6 p.m.

I came to see a crowd of journalists and militiamen outside the gates. I came up to the entrance where they told me that the pass had been made out and then annulled by the Embassy.

Fifteen minutes later I reached the residence from a nearby call-box. The secretary informed me that Margot was away at a conference "that would end in about an hour." It was 6 p.m. I rushed to the Foreign Ministry to meet Vitaly Churkin, Deputy Minister, who had been supervising the Honecker case in the last few weeks. I told him about the letter to Khasbulatov in which Honecker asked, as one of the possible solutions, for political asylum.

The reception was cordial, my host was attentive. Yet he told me that he "lacked the entire information because the case was supervised by Kolokolov who was on leave." In response to my request not to rush deportation he said: "The Ministry can do nothing more." Everything became clear.

"My husband is not free to make decisions"

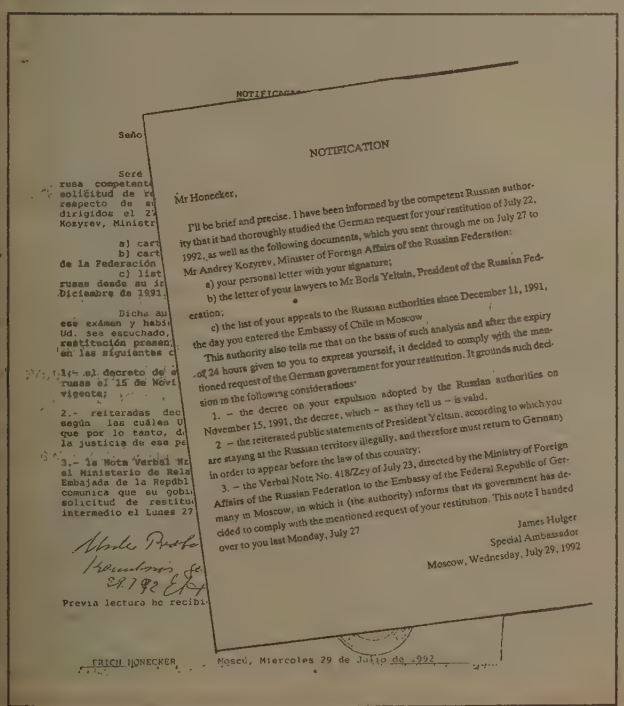
At 7.30 p.m. I finally reached Margot. Her voice was trembling: "My husband has already left for Germany." At 5 p.m. James Holger invited them for a talk. It lasted for more than an hour. He informed Honecker that "in twenty minutes the time of his stay at the Embassy as a guest will run out." According to him this was the Chilean Embassy's decision taken the day before. Honecker tried to argue, but Holger was adamant: the decision had been taken and could not be revised.

On the eve of the extradition. Honecker is writing a letter to Khasbulatov in his room in the Chilean Embassy. This was his first request for political asylum on the Russian territory

Four plainclothes men and two women had been loitering in the Embassy for some time. They represented the Russian side. They were obviously waiting for the end of the talk. Honecker asked for one or two hours' delay. The reply was "No, you have to go this minute." The people in civilian clothes did not allow him to enter the room that had served as home to Erich and Margot for seven and a half months. Holger insisted and Honecker was allowed to stay in the room long enough to pick some personal belongings. Holger satisfied another request – Honecker wanted to go to the airport in a car of the Chilean Embassy.

On the same day Khasbulatov got the letter – I learned this from Dekan three hours before extradition.

In the evening I called Margot. She planned to stay for a couple of days more – enough to do the packing, get a visa and buy a ticket for Chile. She was going to stay with her daughter Sonya. The lawyers warned her against going to Germany together with Erich. We agreed to meet at the Embassy next day. Events were unfolding faster than we thought. In the morning of July 30 she called me to tell that she had to leave the Embassy at noon. I rushed there and arrived at two minutes to noon. We could barely embrace each other. Margot gave me the latest document from Holger. Then I asked the awful question: "Why did Erich reject the idea of suicide?" Margot told me in a hurry: "He was not free to make such decisions, he was not free..." She said that on the run – they were already waiting for her.



NOTIFICACION

NOTIFICATION

Mr Honecker,

I'll be brief and precise. I have been informed by the competent Russian authority that it had thoroughly studied the German request for your restitution of July 22, 1992, as well as the following documents, which you sent through me on July 27 to Mr Andrey Kozyrev, Minister of Foreign Affairs of the Russian Federation:

a) your personal letter with your signature;

b) the letter of your lawyers to Mr Boris Yeltsin, President of the Russian Federation;

c) the list of your appeals to the Russian authorities since December 11, 1991, the day you entered the Embassy of Chile in Moscow.

This authority also tells me that on the basis of such analysis and after the expiry of 24 hours given to you to express yourself, it decided to comply with the mentioned request of the German government for your restitution. It grounds such decision in the following considerations:

1. – the decree on your expulsion adopted by the Russian authorities on November 15, 1991, the decree, which – as they tell us – is valid.

2 – the reiterated public statements of President Yeltsin, according to which you are staying at the Russian territory illegally, and therefore must return to Germany in order to appear before the law of this country;

3. – the Verbal Note No. 418/Zey of July 23, directed by the Ministry of Foreign Affairs of the Russian Federation to the Embassy of the Federal Republic of Germany in Moscow, in which it (the authority) informs that its government has decided to comply with the mentioned request of your restitution. This note I handed over to you last Monday, July 27

James Holger
Special Ambassador
Moscow, Wednesday, July 29, 1992

ERICH HONECKER

Moscú, Miercoles 29 de Julio de 1992

The last document James Holger handed in to Honecker

Yelena Gorovaya

Photos by the author and Der Spiegel

Former Soviet Premier **Nikolai Ryzhkov,** 62, thinks that the Russian leadership tries to "punish" him for his "undesirable statements." Ryzhkov has a unique entry in his service record: "Resigned in connection with an amendment of the Constitution of the USSR." The ex-Premier does not have guards any longer. The government communication telephone he had in his country house was disconnected. He has been deprived of the right to use official cars. The Russian authorities are saving money on everything.

Ryzhkov can possibly be consoled by the success of his memoirs. His book *Perestroika: the Story of Betrayals* is selling like hot cakes, and not only because of its eye-catching title. In his opinion *perestroika* began not in 1985, when Gorbachev had become the leader, but two years earlier, under Andropov. Ryzhkov criticizes his former associate: "Gorbachev has an unstable character. The use of state power by him is contra-indicated. He changed his 'general line' so often that all of us became disoriented after a while."

It was Gorbachev who ultimately led the country to its present terrible situation, Ryzhkov writes.

The last years of Ryzhkov's premiership left a sad impression. The general public took a liking for Ryzhkov when he, a nice-looking young economic executive from the Urals, appeared on the political scene.

Yuri Andropov noticed Ryzhkov when the latter was working in the State Planning Committee. Thanks to him Ryzhkov bypassed the intermediate rungs of the party ladder and was elected Central Committee Secretary in charge of the economy. Ryzhkov has retained respect for Andropov. In the political establishment he was the only man who took Andropov's death as his personal grief. Yury Andropov's concept was in harmony with his own: renewal of socialism and modernization of the economy without political reforms.

Ryzhkov did not understand and resisted what took place in the country after 1987. A good manager, not a bad Deputy Minister, and an intelligent Deputy Chairman of the State Planning Committee, he became a victim of the practice of promoting a good worker till he finally occupies a post which he does not suit.

Nikolai Ryzhkov could keep one or two plants under his control. But he was unable to manage the country's economy while carrying out reforms in it. Under his management the Soviet economy reached the breakdown stage.

He got used to strict discipline. That is why he did not understand the parliament and grew angry when its members criticized him. But if tears at the sight of the Armenian tragedy (the earthquake in 1988) showed he had preserved the ability for compassion, tears on the parliamentary rostrum revealed his helplessness which, moreover, made him resort to evil-minded tactics.

Last year Nikolai Ryzhkov unsuccessfully ran for President of Russia, with Gen. Boris Gromov, former commander of Soviet troops in Afghanistan, nominated for the post of Vice-President. After that he wrote his memoirs for several months. At present, with no clear goals, he promises: "I will not sit idle at home. I am going to watch political events and comment on them."

* * *

One more intellectual has become disappointed in politics. An illustrious Lithuanian writer, **Vitautas Bubnis,** 60, one of the initiators of the Lithuanian movement in support of *perestroika* (Sajudis), said he had moved away from politics

Compassion for torture victims

Ole Esperssen, President of the International Council of the Danish Centre for Rehabilitation of Victims of Torture, is sure that his organization will have enough work for many years ahead. For in some countries torture is still allowed officially while in others the authorities simply overlook it. Moreover, Esperssen notes, "traditional" forms of torture, such as beating on the heels with a stick, flogging and sham executions, are now used less often while tortures which leave no traces on the body of a victim are practiced on an ever wider scale.

Like similar centres in 35 other countries, the Danish Centre does not only treat victims of torture who came to Europe for one or another reason, but also collects information about doctors who take part in devising new forms of turture. When enough evidence is collected against one such "specialist" his name is made public.

Prof. Esperssen, 57, was Minister of Justice in Denmark. But after the conservatives' election victory he left his post. Today he is a member of parliament from the Social Democratic Party.

A similar centre has been set up in Russia under the aegis of the Memorial Society. It is called Compassion and is headed by **Marina Berkovskaya.** Compassion gives aid not to immediately recent victims of torture but to people who suffered from Stalin repressions and to their relatives. The "patients" of rehabilitation centres abroad are people who were subjected to torture only a short time ago while most of Compassion's "clients" are over 60 years of age.

"The psychological rehabilitation of our clients is made difficult by the fact that the consequences of torture have been experienced by them for a long time," Marina explains. "Furthermore, after the liberation from camps and prisons they have been subjected to psychological torture and regarded as outcasts of society."

because he did not want to get into the mess which today consumes Lithuania.

"We were idealists," Bubnis says. "It is for this reason that I, in particular, worked in the Sajudis. We ingenuously believed that people would become brighter and more honest. However, much has changed in a way we did not expect. Some people asserted from outset that politics is a dirty matter, that nothing can be done with white gloves. I did not think so. Dirty methods are unacceptable to me. However, they seem to be quite fine for others. A noisy demagogic machine is set in motion to conceal this filth, and the Jesuit slogan "The end justifies the means" prevails. Policy is made by people who ignore moral standards. It has become a common thing to insult publicly, accuse and fling mud at someone simply because he thinks differently."

Bubnis' novels, translated into Russian in the 1970s, became a discovery for Russian readers. His novels *The Thirsty Land, Three Days in August* and especially *The Blossoming of Unsown Rye* did not fit into Soviet literature. It was modern free prose indicative of an intellectual life flourishing in Vilnius and the tension in Lithuanian society which had never reconciled with what happened to the country in the 1940s.

Lithuanian intellectuals like Vitautas Bubnis have done much for the preservation of the national spirit. In 1988 they led the movement for state independence. Today Bubnis admits bitterly: "What is taking place deeply disturbs me. I don't even have a desire to go outside — such a terrible disappointment." Bubnis the writer proved more farsighted than Bubnis the politician.

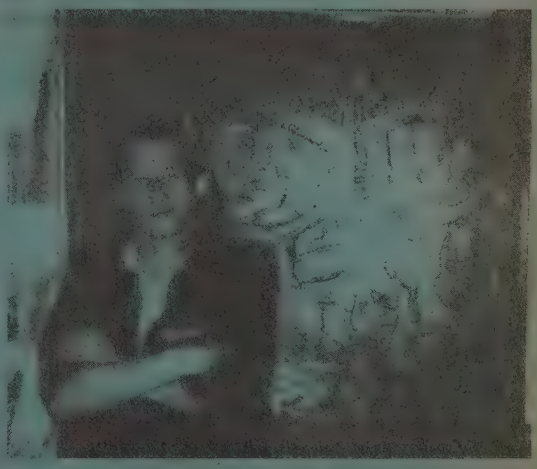
* * *

Last year the famous Paris sculptor **César** celebrated his 70th birthday. A graduate of the Higher National School of Fine Arts, he was the first to use metals intended for remelting (deformed car bodies, bolts, levers and other industrial waste) in his sculpture.

His works were displayed many times in Paris and international exhibitions, won numerous awards and found buyers. But at the age of 70 the famous master feels a little tired and lost. In such a mood he came to Moscow last autumn. In the capital César discovered a great number of statues of Bolshevik leaders pulled down from their pedestals and lying in various places. The sculptor saw "an emotional historical grotesque" in the demolished idols. He decided to use these symbols of communism for the creation of a monument which will leave a trace in the memory of people, as Guernica is remembered for its horrors of war thanks to Picasso's masterpiece.

Talks on the purchase of sculptures have been in process for a long time. In the spring of this year, however, César met in Normandy a truck loaded with 50 busts and statues of Lenin.

A complex road to mastery



The great artists should be learned from, of course, with preference for one period over another being the usual case. However, an artist must remain true to himself, preserve his own outlook and search for his, unique and untrodden path in the mysterious world of art. Otherwise, he is destined to become a second-rate imitator.

It is difficult to say how **Andrei Sharov** came to understand this truth — whether consciously or instinctively. Anyhow, he decided to achieve mastery in his own, complex but promising way. Having chosen the profession of a modeller, an "in" career nowadays, he entered the Moscow Technological Institute in 1984. But during his first years of study at the faculty of artistic technology he felt the narrowness of the programme's framework. Andrei took a keen interest in painting to which, incidentally, much attention was paid in the institute. He felt the thirst for other forms of creative self-expression and tried his hand as a costume designer and stage painter.

Nevertheless, painting remains his most favourite occupation. Working in related creative fields helps Andrei express himself in painting more fully. After serving in the army, where he designed restaurants for officers along with social centres in military garrisons, he felt the desire to break away from the Socialist Realism requirement imposed on art. Konstantin Korovin, Paul Klee and Clint became his idols.

Andrei Sharov's unusual talent soon drew the attention of foreign guests, painting enthusiasts. About 100 of his pictures have been bought by Americans and Italians and are kept in private art galleries in Japan and France. Though Andrei is only 26, he already took part in more than 10 exhibitions. The largest of them, "11 Russian artists in Paris," was held in the Marie-Térèse Cochan gallery last year. Sharov's works displayed at this exhibition were described by eminent Paris critic Simon Banarguine as "promising" and "possessing the Paris charm."

However, the life of the young artist is not so cheerful. It is now more difficult to find buyers for paintings.

But Andrei Sharov does not lose heart. He is full of energy, confident of himself and works with enthusiasm. And this is sure sign of success.

Across the ocean on a raft

An amateur's voyage with a tragic outcome

On May 19, 1991, Sergei Chebotarev, 18, set out from Kamchatka on a journey across the Pacific on a small inflatable raft. Three days later communication with him was interrupted.

Six months later, Gérard d'Aboville, a 46-year-old Frenchman, sailed on a rowboat from the Japanese port of Choshi. In four and a half months, having covered 10,000 km and making five million strokes, he safely reached the western coast of the United States.

Dolphins don't like wounded animals

Sergei already had on his record two struggles for survival in extreme conditions. Every year, Sergei told me, about a million people die in so-called extreme situations: a car breaks in the desert or the steppe, a man loses his way in the forest or is shipwrecked on an abandoned coast. He is found several days later, but there is no longer a possibility of saving him. It is known, however, that a man can exist for a week without water and even longer without food. Skilful people have ways of enduring the cold. Some can sleep on snow and not catch cold.

Most recommendations for such situations, according to Sergei, have been drawn up by people who survived such experience, and are therefore intended to aid others with experience in survival under harsh conditions. For the man in the street they can prove harmful and even fatal.

Sergei made up his mind to test everything on himself and work out recommendations for ordinary people. In winter he got off the train at a small trans-Baikal station and walked to the next station in street clothes and with the minimum of food supplies. He survived, but...

"I wouldn't advise anyone to repeat this experiment merely for the sake of boasting," Sergei said later.

After failing to pass selection examinations at Moscow University's Department of Biology, Chebotarev went to Kamchatka to conduct another experiment. He was provided with an outfit and landed from a helicopter on the coast of the bay of Kamchatka.

Sergei was going to live on an inflated raft. He took with him only bread and several tins of sprats in tomato juice. To simulate seasickness, he decided to taste poisonous berries which grew in the area. But unexpectedly bears intervened in the experiment.

"It turned out that the coast was their hunting area. They evidently felt I was a rival to them, and began to drive me out," Sergei recalls. "I nearly encountered one bear and could hardly run to the raft and seize the duralumin oar. A hunter I met on the way told me that local villagers wounded a she-bear. She ran away and now takes vengeance on people."

Shebotarev had either to cease the experiment or escape from bears into the ocean. He chose the second. Several times his raft was cast ashore. Only on the third day it was carried into the open seas.

Sergei controlled the movement of the raft with the aid of floating anchors. Each of such anchors looks like a small parachute. Spreading out in water, it acts like a brake in the adverse wind, while an awning drawn over the raft acts like a sail. It turned out that with the aid of two floating anchors and an awning sail a raft can move even against the wind. In five days Sergei managed to cover 140 kilometres.

On the third day of the sailing the raft drew the attention of dolphins.

"I knew that not a single case of a dolphin attacking a raft or a boat had been registered. Nevertheless, a shiver ran down my back," Chebotarev recalled later. "Dolphins often dived under the raft as if they wanted to overturn it. What attracted them? Finally, I understood. Dolphins appeared after I had turned the bow of the raft against the wind and hence against the wave. The splashes evidently reminded dolphins of the convulsive movement of a wounded animal whom they were going to finish off. As soon as I put the board side against the wave the strikes ended and the dolphins swam away."

When the ocean began to rage more fiercely the raft drifted towards the reefs. Sergei wrote in his diary later on: "My heart sank for a moment and I fell together with the raft into the foamy gap of a four-meter high wave. I was in a zero-gravity state for a moment, the raft flipped over and the inflated vault bent. A moment later, as I barely managed to crouch and hold my head, another terrible blow followed."

Towards the end of the fifth day Chebotarev was spotted by fishermen and taken on board. A typhoon was impending, and he decided to bring the experiment to an end.

An old shoe does not bring luck

Next year Chebotarev went on another expedition. He decided to cross the Pacific on an inflatable life-raft from Kamchatka to California. His cargo was much heavier this time. Souvenir coins alone weighed about 200 kg. It was a costly expedition, and Chebotarev wanted to return part of the money and possibly repay the expenses not only by publishing his diaries and photographs and by a film to be shot during the travel, but also by selling souvenir coins minted from pieces of scrapped missiles.

Sergei took two radio beacons with him. With the aid of one he was going to signal that everything was OK on board. The second beacon was to operate in an emergency by transmitting SOS and the location of the raft. Nevertheless, the technical end of the expedition left much to be desired.

The expedition was to last for about five months, and a rubber raft is not suited for such long-term use. Sergei possibly reassured himself with the thought that a ship was to follow the raft, though behind the horizon line to make the experiment "clean." But the tracking aids mounted on the ship were far from perfect, and the crew ultimately lost communication with the raft.

Sergei refused to take with him a Finnish-made life-suit, though on the day of departure the water temperature was only about three degrees Centigrade. "The victims of a disaster are not likely to have such suits," he explained. On the other hand, those who suffer shipwrecks are not likely to travel on the ocean for several months.

The money spent on preparations, the agreements reached with Glavkosmos (The Central Administration of Space Technology Development), the frontier and custom services, and with the navigation inspection whose approval is needed for the travel of every ship, even a raft, impelled Sergei to continue what he began. He did not want to listen to sceptics. Spring was coming to an

Within a few minutes Sergei's raft sailed far from the coast
Photo by author

end, and the time left for the travel inexorably dwindled. Besides, foreign news agencies reported that another traveller was going to cross the Pacific in a rowboat at approximately the same time.

The "competition" began on May 19, 1991.

The departure from Kamchatka looked prosaic. Sailors placed the raft on a wooden tray and pumped it a little. Several minutes later the orange vessel was lowered on the water. Women cooks shed a few tears and threw an old shoe overboard. Sailors believe it helps a traveller to safely complete his voyage.

For several days Sergei regularly went on the air. The space communication transmitter operated normally. True, communication was unilateral. At the fixed time Chebotarev pressed the button, and the device sent a coded radio signal into space. A communication satellite received the signal and relayed it to the earth. In this way people on the coast knew that the traveller was alive and continued his voyage.

But one day Chebotarev failed to send a signal at the appointed time. No signal came from him during alternate time. A rescue expedition did not bring success. Ships and planes "combed" his possible location, but they did not spot either the raft or Chebotarev.

The travel of Gerard d'Aboville, the "rival" of Sergei Chebotarev, proceeded quite differently. He was not a novice either. In 1980 d'Aboville crossed the Atlantic within 72 days. The last section of the route was particularly hard. During a storm his face and shoulder were injured.

A stroke of rows, a sip of water

The French traveller crossed the Pacific in an eight-metre long boat made of very light and strong materials. The effective system of ballasts included a weight attached to the base. Thanks to it the boat always recovered its upright position, even when it overturned. Some 160 kg of dry high-calorie mixtures were loaded in the bow. D'Aboville also took with him a water-freshening device brought into action by strokes of the oars.

Gerard d'Aboville sailed off in November 1991 and safety crossed the Pacific. He reached California 113 days after, having covered 10,000 km.

It seems that in the case of Chebotarev the hope for success was based on enthusiasm, not on his technical support. Sergei sailed out onto the open seas, though he did not know how to swim. He thought he had a reason for that. "Many of those who suffer shipwrecks cannot swim either," he argued. "I want to prove by my own example that the ability to swim is not at all necessary for rescue. A life jacket, a piece of board or foam plastic are sufficient for this purpose."

The same was true of food and fresh water supplies. Sergei took with him a dozen of containers filled with fresh water, and so he had to use it very sparingly. There was not much food either.

In general, it was a voyage of an amateur, and though Sergei wanted to help amateurs, he violated his own precept: "Don't do anything in a rash way. Think first before doing anything. Think twice if your action has an irreversible character."

Stanislav Zigunenko

The Republic's art treasures in danger

The Krymsky Val exhibition halls, a branch of the Tretyakov Art Gallery, draw crowds today: on display are art treasures contributed to the national museums, at various times, by the state security service

Let me explain: state security men are neither the donors nor the authors of the works of art, many of which were created ages ago. Nevertheless, the exposition, called Recovered Treasures, has to do with the state security service. All its exhibits were once used as evidence at criminal trials, were confiscated from smugglers and shady art dealers.

A chance to see what we have always had and what we have all but lost is certainly not to be missed. The exhibits included quite a few first-rate works: it is not for nothing that they have finally landed in such treasure troves of art as the Moscow Kremlin and Andrei Rublev Museums, in the Hermitage, the Tretyakov Art Gallery and the Russian Museum...

Two large halls were given over to icons and richly decorated icon settings. Besides, the exposition featured incunabula and ornamental castings, weapons and decorations, coins and seals, watches and smoking pipes, lorgnettes and ancient wine glasses, engravings and drawings by famous Russian artists (including Serov, Kustodiev, Malevich, Lansere). Paintings are less impressive, but at least two of them – "Early Morning," a large canvas by Savrasov, and Aivazovsky's miniature "Seascape with Cliffs," arrested the attention of all the visitors of the Recovered Treasures exhibition.

Let me confine myself, however, to this short list of exhibits on display there and dwell in more detail on the problem of preserving our national heritage, if only for the reason that judging by everything, the exposition is meant as a report by the present state security service on its record in this sphere.

As the reader probably knows, illicit trade in stolen works of art has long become the third most lucrative racket in the West after drug trafficking and underhand arms dealings. As to the former USSR, no such problem apparently existed there. Whatever "exceptions" there were made headlines in the papers, and on the silver screen personable and highly competent detectives ingeniously tracked down cunning wrong-doers. The real scale of that clandestine business was anybody's guess. It was only quite recently that the security agencies have admitted to the situation in Russia (and in the CIS as a whole) being no better than that in Europe and the world in this respect. As to our domestic Sherlock Holmses and Maigrets, they have turned out to be not as strong and omnipotent as their screen prototypes.

Here are some official statistics, rather fragmentary, but telltale nevertheless: 2.5 times more works of art were stolen in 1990, and three times more in 1991, than in previous years. In terms of cost, the damage done grew 17-fold. Previously, almost no record was kept of thefts from museums; in 1990, there were 18 museum robberies, and in 1991, as many as 30, some of them extremely audacious. Last July, for example, a mosaic icon of St. Alexander Nevsky by Mikhail Lomonosov was stolen from St. Petersburg's Kunstkammer Museum. Its worth is estimated at 1.5 million dollars.

Customs officers arrest contraband works of art practically every day. Just over three days in January, 1992, they detected and confiscated 900,000 dollars' worth of antiques and works of art. And mind you, this is presumably only about a tenth of the "cultural" contraband from the country.

The West has long arrived at the obvious conclusion that works of art can be protected only by a joint international effort of art experts, museum workers, insurance companies and, of course, law enforcement bodies. This problem was the subject of an international conference held in London recently. Russia was represented there by V. Mefti, head of the art theft investigation bureau under the criminal police department. "We have only 13 men on staff," he complained to a correspondent, "and even these are not trained to do the job. We really need art experts turned crime detectives. We'd like to draw upon the useful experience of Interpol, the International Council of Museums and the Customs Cooperation Council, which are successfully working together...."

Indeed, Russian art theft investigators are lacking in practical experience. They ought to learn from the special squad of the Italian carabinieri who, before going into active service, take a year's course in art studies. They are most efficient, too: for example, it took them less than two months last year to recover all the 18 Tretyakov Art Gallery masterpieces stolen from an exhibition in Genoa. The Scotland Yard's Fine Arts Department, set up back in 1961, and the analogous French service, established in 1972 as part of the Central Criminal Police Directorate, could also teach their Russian colleagues a great deal – they have a number of successful large-scale operations to their credit. Practical experience is a useful thing and is certain to come handy sooner or later...

In the meantime art thieves are getting increasingly impudent and keeping up to date with modern scientific and technological progress. On the other hand, the museum, archives and library protection system is antediluvial, on the whole and in need of improvement, but there is no money for that. Museum keepers – elderly ladies mostly – remain practically the only custodians of our cultural heritage.

In a word, it is becoming increasingly difficult to guard our art treasures. The process has gone too far, and the only thing our law enforcement agencies can do now is slow it down, even though a little. This is what the public relations centre of the Russian Federation's Ministry of Security tells the visitors at the Recovered Treasures exhibition. The ruinous process can be stopped by, I quote, "economic revival and a more solicitious attitude to our culture at the state level." Not a very optimistic statement, is it?

Albert Pin

Icons and incunabula take up most of the exposition

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